

**ACT Shelter Association
A.B.N 13 348 226 983**

Financial Statements

For the Year Ended 30 June 2023

ACT Shelter Association

A.B.N 13 348 226 983

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For the Year Ended 30 June 2023**

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ACT Shelter Association

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Committee's Report

30 June 2023

In accordance with the requirements of Section 73 (1) (c) of the Associations Incorporation Act, the committee members submit the financial report of the Association for the financial year ended 30 June 2023.

General Information

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

Name	Position	Appointed/Resigned
Yvonne Gritschneider	Chair	Appointed 21 November 2022
Humphrey Cornthwaite	Chair	Resigned 21 November 2022
Sarah Spiller	Secretary	Appointed 21 November 2022
Eddy Bourke	Secretary	Resigned 21 November 2022
Jon Lawrence	Treasurer	Appointed 21 November 2022
Kathy Ehmann	Treasurer	Resigned 21 November 2022
Geoff Buchanan	Ordinary Member	Appointed 2 March 2023
Siobhan Cosgrave	Ordinary Member	Appointed 21 November 2022
Vicki Wood	Ordinary Member	Appointed 21 November 2022
Cara Jacobs	Ordinary Member	Resigned 21 November 2022
Josh Vaughan	Ordinary Member	Resigned 21 November 2022
Karlva Parnell	Ordinary Member	Resigned 21 November 2022

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

Principal activities

The principal activities of the Association during the financial year were to promote and maintain the right of every person to access affordable, safe and secure housing and promote the benefits of public and community housing. No significant changes in the nature of the Association's activity occurred during the financial year.

Operating results

The surplus of the Association for the financial year amounted to \$57,076 (2022: surplus of \$138,173).

ACT Shelter Association

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Committee's Report

30 June 2023

Auditors Independence declaration

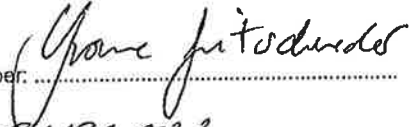
The lead auditors Independence declaration for the year ended 30 June 2023 has been received and can be found on page of the financial report.

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



Committee Member:

Dated: 1 NOVEMBER 2023



Committee Member:

Dated: 2 NOVEMBER 2023

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**Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits
Commission Act 2012 to the Responsible Persons of ACT Shelter Association**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 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.



PKF Canberra



Ross Di Bartolo
Partner

Dated: 2.11.2023.

ACT Shelter Association

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023**

		2023	2022
	Note	\$	\$
Revenue	4	387,418	400,674
Employee benefits expenses		(251,091)	(202,986)
Depreciation and amortisation expense		(3,512)	(1,392)
AHURI		-	(5,042)
Consultation		(265)	(1,121)
Audit fees		(3,300)	(2,474)
Rent		(12,781)	(10,549)
Projects		-	(6,000)
Dues and subscriptions		(12,243)	(5,220)
Computer maintenance		(6,197)	(5,884)
Insurance		(2,586)	(2,546)
Conference and training		(9,911)	(7,935)
Other expenses		(28,456)	(11,352)
Surplus/(Deficit) for the year		57,076	138,173
Retained surplus at the beginning of the financial year		267,030	128,857
Retained surplus at the end of the financial year		324,106	267,030

The accompanying notes form part of these financial statements.

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**Statement of Financial Position
As At 30 June 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	328,314	327,482
Trade and other receivables	6	25,129	797
Other assets	7	6,453	11,936
TOTAL CURRENT ASSETS		359,896	340,215
NON-CURRENT ASSETS			
Property plant and equipment	8	7,554	9,021
TOTAL NON-CURRENT ASSETS		7,554	9,021
TOTAL ASSETS		367,450	349,236
LIABILITIES			
CURRENT LIABILITIES			
Employee Benefits	9	20,656	18,290
Trade and other payables	10	22,688	63,916
TOTAL CURRENT LIABILITIES		43,344	82,206
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		43,344	82,206
NET ASSETS		324,106	267,030
EQUITY			
Retained earnings		324,106	267,030
TOTAL EQUITY		324,106	267,030

The accompanying notes form part of these financial statements.

ACT Shelter Association

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**Statement of Changes in Equity
For the Year Ended 30 June 2023**

2023

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2022	267,030	267,030
Profit/(Loss) for the current year	57,076	57,076
Balance at 30 June 2023	324,106	324,106

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	128,857	128,857
Profit/(Loss) for the current year	138,173	138,173
Balance at 30 June 2022	267,030	267,030

The accompanying notes form part of these financial statements.

ACT Shelter Association

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**Statement of Cash Flows
For the Year Ended 30 June 2023**

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from government and others	366,438	394,143
Payments to suppliers and employees	(367,943)	(195,327)
Interest received	4,382	421
Net cash provided by/(used in) operating activities	<u>2,877</u>	<u>199,237</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Assets	<u>(2,045)</u>	<u>(7,560)</u>
Net cash provided by/(used in) investing activities	<u>(2,045)</u>	<u>(7,560)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	832	191,677
Cash and cash equivalents at beginning of year	<u>327,482</u>	<u>135,805</u>
Cash and cash equivalents at end of financial year	<u>328,314</u>	<u>327,482</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2023

The financial report covers ACT Shelter Association as an individual entity. ACT Shelter Association is a not-for-profit Association, registered and domiciled in Australia.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

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 Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Grant income

Grants are treated according to the specifications of the grant funding deeds. Grant income and expenses are recognised as specified by each grant funding deed. Grants required to be returned to the funding provider due to specific circumstances are treated as unexpended grants which form part of the liabilities in the balance sheet at the end of the financial year

Other income

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

(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 payable 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.

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(d) Investments

Investments are carried at cost.

(e) 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

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

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Fair value through other comprehensive income

Equity instruments

These investments are carried at cost value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

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.

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.

ACT Shelter Association

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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.

(f) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

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Notes to the Financial Statements For the Year Ended 30 June 2023

(g) 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.

(h) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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

(j) Economic dependence

Economic dependence exists where the normal trading activities of a company depends upon a significant volume of business. The Association is dependent on the ACT Government – Community Service Directorate (CSD) for the majority of its revenue used to operate the business. At the date of this report the Committee members have no reason to believe the CSD will not continue to support ACT Shelter Association.

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 - 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 2023

	2023	2022
	\$	\$
4 Revenue and Other Income		
- Grant- CSD	379,936	398,003
- Interest income	4,382	421
- Member Subscriptions	1,764	1,691
- Other trading revenue	1,336	559
	<u>387,418</u>	<u>400,674</u>
5 Cash and Cash Equivalents		
CURRENT		
Cash at bank	328,314	327,482
	<u>328,314</u>	<u>327,482</u>
6 Trade and Other Receivables		
CURRENT		
Trade receivables	410	
GST and other receivables	1,628	797
Grant receivables	23,091	-
	<u>25,129</u>	<u>797</u>
<p>The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.</p> <p>The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.</p>		
7 Other Assets		
CURRENT		
Prepayments	6,453	11,936
	<u>6,453</u>	<u>11,936</u>
8 Property, Plant and Equipment		
NON-CURRENT		
Property, plant and equipment at cost	13,277	11,232
Less accumulated depreciation on property, plant and equipment	(5,723)	(2211)
	<u>7,554</u>	<u>9,021</u>
9 Employee Benefits		
CURRENT		
Annual Leave	20,656	18,290
	<u>20,656</u>	<u>18,290</u>

ACT Shelter Association

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**Notes to the Financial Statements
For the Year Ended 30 June 2023**

10 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	5,095	61,738
PAYG payables	4,653	301
ATO payables	4,441	1,966
Superannuation payables	8,499	(89)
	22,688	63,916

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

11 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2023 (30 June 2022: None).

12 Statutory Information

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

ACT Shelter Association
159 Maribyrnong Ave
Kaleen ACT 2617

ACT Shelter Association

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Responsible Persons' Declaration

In the opinion of the Committee of the ACT Shelter Association, the financial report as set out on pages 4 to 14:

- Present fairly the financial position of ACT Shelter Association as at 30 June 2023 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.
- At the date of this statement, there are reasonable grounds to believe that ACT Shelter 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 Committee and is signed for and on behalf of the Committee by:



Committee Member:

Dated: 1 NOVEMBER 2023



Committee Member:

Dated: 2 NOVEMBER 2023

ACT Shelter Association

Chartered Accountants
& Business Advisers

Independent Auditor's Report to the Members of ACT Shelter Association

Opinion

We have audited the financial report of ACT Shelter Association, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

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

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) 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 Opinion

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 Registered Entity in accordance with the auditor independence requirements of 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 opinion.

Other Information

The committees are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Responsible Entities for the Financial Report

The responsible persons 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 responsible entities' responsibility also includes such internal control as the responsible entities determine 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 responsible persons are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

ACT Shelter Association

Independent Auditor's Report to the Members of ACT Shelter Association

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 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 the 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 management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Committees 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.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF Canberra



Ross Di Bartolo
Partner

Dated: 2. 11. 2023

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