

AUDITED FINANCIALS

31st December 2018

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Your independent audit specialist

CB Audit Pty Ltd | ABN 32 146 530 529 | PO Box 7440 Loganholme Qld 4129

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOPE CENTRE SERVICES***Report on the Audit of the Financial Report***

We have audited the accompanying financial report, being a special purpose financial report of Hope Centre Services, which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

In our opinion, the financial report of Hope Centre Services has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission (ACNC) Act 2012, including:

- a) giving a true and fair view of the registered entity's financial position as at 31 December 2018 and of its financial performance and cash flows 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 of 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 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 financial report has been prepared for the purpose of fulfilling the directors' 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 Responsible Entities' for the Financial Report

The responsible entities 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.

Matthew Williams, IPA, SSAud, RCA
Managing Director

Registered Company, Not-for-profit & SMSF Auditors
Liability limited by a scheme approved under Professional Standards Legislation

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 entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so. The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 my 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entities 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 registered 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 registered 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 responsible entities 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.



Matthew Williams
CB Audit Pty Ltd
Registered Company Auditor No. 470848

29 April 2019

HOPE CENTRE
SERVICES LTD
ACN 133 424 576

DIRECTORS' REPORT

The Directors present their report for the year ended 31 December 2018.

Directors

The Directors of the company in office at the date of this report are:

<u>Name</u>	<u>Position</u>
Timothy Bean (Resigned 06.06.2018)	Director
David Hunt	Director
Claire Davis	Director
Chris Barlow	Director
Wayne Alcorn (Appointed 06.06.2018, Resigned 11.12.2018)	Director

Meetings

The number of directors meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the company during the financial year are:

	A	B
Timothy Bean	3	3
David Hunt	4	5
Claire Davis	5	5
Chris Barlow	4	5
Wayne Alcorn	2	2

A - Number of meetings attended

B - Number of meetings held during the time the director held office during the year.

Principal Activity

The principal activity of the company is that of a Public Benevolent Institution for the advancement of social and community welfare. There has been no change in the nature of that activity during the financial year.

Net Results

The net profit/(loss) for the year was \$157,050. (2017 - \$122,775).

Review of Operations

The company continued its operations to obtain and administer project grants. During the year there were many demands on our finances and other resources from the community to help support people through their circumstances. As a charity we were able to help them and make a positive impact on their lives. The MIMI's house programme continued during the year.

State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

HOPE CENTRE
SERVICES LTD
ACN 133 424 576

DIRECTORS' REPORT

Likely Developments

The company is expected to continue to grow and expand its operations.

Directors' Interests & Benefits

Since the end of the previous financial year no director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the company's accounts) by reason of a contract made by the company or a related body corporate with the director, a firm of which the director is a member, or a company in which the director has a substantial financial interest.

Indemnification and Insurance of Officers and Auditors

No director or auditor of the company has been indemnified for any liabilities to another person that may arise from their position as a director or auditor. Director's liability insurance premiums in the amount of \$1,210 have been paid by the company.

Auditor's Independence Declaration


Refer to attached Auditor's Independence Declaration which forms part of this report and should be read in conjunction with this report.

Dated at Brisbane this 28th day of April 2018.

Signed in accordance with a resolution of the directors:



.....
Director



.....
Director



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24 April 2019

The Directors
Hope Centre Services
PO Box 1503
FORTITUDE VALLEY QLD 4006

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of the company for the year ended 31 December 2018 and in accordance with the provisions of the Australian Charities and Not-for-profits Commission Act 2012.

I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to this audit;
- No contraventions of the Code of Professional Conduct in relation to this audit.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Matthew Williams'.

Matthew Williams
CB Audit Pty Ltd
Registered Company Auditor No. 470848

Matthew Williams, IPA, SSAud, RCA
Managing Director

Registered Company, Not-for-profit & SMSF Auditors
Liability limited by a scheme approved under Professional Standards Legislation

HOPE CENTRE SERVICES LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2018

	notes	2018	2017
<u>Current Assets</u>			
Cash & Cash Equivalents	12	576,359	323,791
Trade Debtors	2	-	10,237
Prepayments	3	3,195	3,525
Inter Company debtors	4	-	1,410
Total Current Assets		579,554	338,963
<u>Non Current Assets</u>			
Property, Plant & Equipment	5	147,139	169,495
Security Deposit held		2,100	-
Total Non Current Assets		149,239	169,495
TOTAL ASSETS		728,792	508,458
<u>Current Liabilities</u>			
Creditors & Borrowings		35,558	4,712
Inter Company Creditors	6	19,454	-
Advances & Funds Held		70,503	62,099
Provisions	7	32,045	27,464
Total Current Liabilities		157,559	94,275
TOTAL LIABILITIES		157,559	94,275
NET ASSETS		571,233	414,183
<u>Accumulated Funds</u>			
Accumulated Funds	10	571,233	414,183
TOTAL ACCUMULATED FUNDS		571,233	414,183

The Statement of Financial Position is to be read in conjunction with the notes and forming part of the financial statements.

The Statement of Financial Position presents the position of the charity as at 31st December 2018.

HOPE CENTRE SERVICES LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 31ST DECEMBER 2018

	2018	2017
Revenues from ordinary activities	<u>860,155</u>	<u>829,745</u>
Other revenue from non-operating activities	-	-
Depreciation and amortisation expenses	(29,456)	(33,691)
(Loss)/Gain on disposal of property, plant & equipment	-	(4,163)
Other expenses from ordinary activities	<u>(673,649)</u>	<u>(669,117)</u>
Profit from ordinary activities before income tax	157,050	122,775
Income tax revenue relating to ordinary activities	-	-
Net profit attributable to members of the association	<u>157,050</u>	<u>122,775</u>
STATEMENT OF CHANGES IN EQUITY		
AS AT 31ST DECEMBER 2018		
Net profit attributable to members of the company	<u>157,050</u>	<u>122,775</u>
Items recognised directly in equity:		
Offset Asset Revaluation Reserve	-	-
Total revenues, expenses and valuation adjustments attributable to members of the company and recognised directly in equity	<u>-</u>	<u>-</u>
Total changes in equity of the company	<u>157,050</u>	<u>122,775</u>
Opening retained profits	414,183	291,408
Adjustments recognised directly in equity	-	-
Net profit attributable to members of the company	<u>157,050</u>	<u>122,775</u>
Closing retained profits	<u>571,233</u>	<u>414,183</u>

HOPE CENTRE SERVICES LTD
STATEMENT OF CASH FLOWS
AS AT 31ST DECEMBER 2018

	<u>notes</u>	2018	2017
Cash Flow From Operating Activities			
Receipts from customers		870,032	840,159
Payments to suppliers and employees		(610,364)	(677,701)
Net cash provided by (used in) operating activities	12(b)	<u>259,668</u>	<u>162,459</u>
Cash Flow From Investing Activities			
Profit/(Losses) on Sale/Write off of Fixed Assets		0	(33,397)
Payments for Fixed Assets		(7,100)	(99,147)
Net cash provided by (used in) investing activities		<u>(7,100)</u>	<u>(132,543)</u>
Cash Flow From Financing Activities			
Proceeds from borrowings		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		252,568	29,915
Cash at the beginning of the year		323,791	293,875
Cash at the end of the year	12(a)	<u><u>576,359</u></u>	<u><u>323,791</u></u>

HOPE CENTRE SERVICES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2018

1. Statement of Significant Accounting Policies

These financial statements are a special purpose report in order to provide accounts which satisfy the requirements of Hope Centre Services Ltd to prepare accounts. The Board has determined that the charity is not a reporting entity as defined in Statement of Accounting Concepts 1 "Definition of the Reporting Entity".

The statements have been prepared in accordance with the requirements of Hope Centre Services Ltd and Law and the following accounting standards and other applicable mandatory professional reporting requirements (Urgent Issues Group Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board.

AASB 101: Presentation of Financial Statements

AASB 107: Cash Flow Statements

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 110: Events after the Balance Sheet Date

AASB 1031: Materiality

AASB 1048: Interpretation of Standards

AASB 1054: Australian Additional Disclosures

No other Accounting Standards or other mandatory professional reporting requirements (Urgent Issues Group Interpretations) have been intentionally applied.

(a) Basis of Presentation

The statements are also prepared on an accruals basis from the records of the charity. They 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.

They have also been prepared in accordance with the requirements of section 60.40 of the *Australian Charities and Not-for-profits Commission Regulation 2013*

(b) Principal Activities

The principal activities of Hope Centre Services Ltd have not changed during the last financial year.

(c) Finance Leases

Finance leases are capitalised, and an asset and a liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Capitalised lease assets are amortised on a straight line basis over the term of the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the income and expenditure account.

(d) Status of the Institution

The status of Hope Centre Services Ltd is that of an incorporated body operating under the Corporations Law

(e) Income Tax

No liability exists for income tax as the company acts as a public benevolent institution under the provisions of the Income Tax Assessment Act 1997.

HOPE CENTRE SERVICES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2018

		2018	2017
2.	<u>Investments</u>		
	Deposits on Call	2,018	2,017
	Total Investments (as per Balance Sheet)	2,018	2,017
2	<u>Trade Debtors</u>		
	Accounts Receivable	-	10,237
	Sundry Debtors	-	-
		-	10,237
3	<u>Prepayments</u>		
	Insurance	3,195	3,525
		3,195	3,525
4	<u>Inter Company debtors</u>		
	Hope Centre International	-	1,410
		-	1,410
5	<u>Property, Plant & Equipment</u>		
	Land, Buildings & Improvements		
	At Cost	11,292	11,292
		11,292	11,292
	Less Accumulated Depreciation	(1,753)	(1,508)
		9,539	9,783
	Furniture & Equipment		
	At Cost	101,597	94,497
		101,597	94,497
	Less Accumulated Depreciation	(84,514)	(80,867)
		17,083	13,631
	Motor Vehicles		
	At Cost	179,758	179,758
		179,758	179,758
	Less Accumulated Depreciation	(59,241)	(33,677)
		120,517	146,081
	Total Property, Plant & Equipment	147,139	169,495
Depreciation is charged on fixed assets at rates which provide for the write down from cost or valuation over the anticipated period of their economic lives. Diminishing value method is used for all fixed assets.			
6	<u>Inter Company Creditors</u>		
	Hope Centre International	19,454	-
		19,454	-
7	<u>Provisions (refer to statement of sig. accounting policies - note j)</u>		
	Employee Entitlements		
	Current	32,045	27,464
	Non Current	-	-
	Total Provisions	32,045	27,464

Provision has been made for long service leave and annual leave estimated to be payable to employees. Amounts accrued are shown as current and non current liabilities. Hope Centre Services Ltd contributed to superannuation funds in accordance with the requirements of the Superannuation Guarantee legislation and relevant awards. Contributions are charged against income.

HOPE CENTRE SERVICES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2018

8 Events Subsequent to Balance Date

There were no events subsequent to 31st December 2018.

9 Capital Expenditure Commitments

There were no capital expenditure commitments not provided for in these financial statements.

10 Accumulated Funds

	2018	2017
Opening Balance 1st Jan	414,183	291,408
Operating surplus/(deficit)	157,050	122,775
Net Surplus/(deficit)	157,050	122,775
Closing Balance 31st December	571,233	414,183
Retained Profits	571,233	414,183
Asset Revaluation Reserve	-	-
Total Accumulated Funds	571,233	414,183

11 Contingent Liabilities

There were no contingent liabilities as at 31 December 2018.

12 Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at Bank/(Overdraft)	576,359	323,791
Investments	-	-
	<u>576,359</u>	<u>323,791</u>

(b) Reconciliation of Net Cash Provided By/Used In Operating Activities to Net Profit

Operating profit (loss) after tax	157,050	122,775
Depreciation	29,456	33,691
(Profit) Loss on sale of property, plant & equipment	-	4,163
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in Trade Debtors	10,237	2,870
(Increase) decrease in Prepayments	330	1,354
(Increase) decrease in Sundry Debtors	-	-
(Increase) decrease in Inter Company Debtors	1,410	(1,410)
(Increase) decrease in Security deposit held	(2,100)	7,600
Increase (Decrease) in trade creditors and accruals	30,846	(21,363)
Increase (Decrease) in Inter Company Creditors	19,454	
Increase (Decrease) in advances & funds held	8,404	10,499
Increase (Decrease) in employee entitlements	4,581	2,280
Net cash provided by operating activities	<u>259,668</u>	<u>162,459</u>

HOPE CENTRE SERVICES LTD
INCOME & EXPENDITURE STATEMENT
AS AT 31ST DECEMBER 2018

	2018	2017
Ordinary Income/Expense		
<u>Income</u>		
Grants Received	114,199	114,073
Donation - General	5,309	(275)
Hope Centre Donation	-	62,025
Expansion Offering	716,074	614,166
Beenleigh Care Shop	23,109	28,555
Hope Centre Subleasing Income	-	-
Transformations Income	-	1,361
Connect Café Income	(75)	45
Interest Received	1,239	958
Other Income	300	8,839
Total Income	860,155	829,746
<u>Expenses</u>		
Bank Service Charge	6,541	6,244
Beenleigh Care Shop Expense	24,792	26,439
Cleaning & Cleaning Supplies	6,672	6,496
Community Care Exp	134,587	197,133
Computer Expenses	306	540
Insurance	12,357	9,934
Miscellaneous Expenditures	16,784	3,321
Ministry Expenses	17,547	8,541
Motor Vehicle Operating Expenses	12,740	12,022
Printing & Stationery	197	774
Postage & Delivery	-	66
Utilities	1,925	4,079
Professional Fees (inclusive of Counsellors)	4,140	4,057
Wages Total	258,654	244,527
Superannuation	21,694	20,445
Leave Accrual Adjustment	13,324	2,280
Payroll Expense	3,910	4,028
Training & Professional Development	1,708	4,987
Safety & First Aid Supplies	-	566
Security Services & Costs	2,581	-
Telephone Expenses	1,195	1,519
Rent	24,740	5,635
Repair & Maintenance	3,487	9,844

HOPE CENTRE SERVICES LTD
INCOME & EXPENDITURE STATEMENT
AS AT 31ST DECEMBER 2018

	2018	2017
Grant Expenditures	3,630	5,089
Hope Centre Welfare		
Outreach Meal Ministries	-	138
Charity Event Expenses	140	1,013
Uniforms	-	-
Hope Centre Back Office Charge & IT Admin Support	100,000	89,399
Total Expenses	673,649	669,117
Net Ordinary Income	186,506	160,629
Other Expenditures		
Depreciation	29,456	33,691
(Profit)/Loss on Fixed Assets	-	4,163
Total Other Income/(Other Expenditure)	(29,456)	(37,854)
Net Income	157,050	122,775

HOPE CENTRE SERVICES LTD

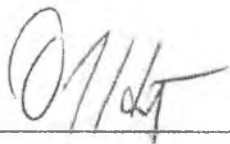
ACN 133 424 576

DIRECTORS' DECLARATION

- 1(a) The financial statements and notes to the accounts have been made out in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Interpretations) to the extent set out in Note 1 to the accounts.
- 1(b) The financial statements and notes to the accounts are drawn up so as to give a true and fair view of the results and cash flows and financial position of the company for the financial period ended 31 December 2018 in accordance with the accounting policies set out in Note 1 to the accounts.
- 2 In the opinion of the directors of Hope Centre Services Ltd:
- (a) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (b) the financial statements set out on pages 1 to 8 are drawn up in accordance with The Corporations Law including Sections 296 and 297.

Dated at Brisbane this 28th day of April 2019

Signed in accordance with a resolution of the directors:



Director



Director