

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Financial Statements

For the Year Ended 30 June 2018

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Contents

For the Year Ended 30 June 2018

	Page
Financial Statements	
Board's Report	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Statement by the Board	15
Independent Audit Report	16

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Board's Report

30 June 2018

The board members submit the financial report of the Association for the financial year ended 30 June 2018.

1. General information

Board members

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

Fiona MacGregor	President (resigned 23/08/16)
Mary Pekin	President
Justine McNamara	Vice-President (appointed 23/08/16)
Judith Tokley	Public Officer
Stephanie Males	Finance Officer
Hugh Chalmers	Ordinary Member (resigned 06/12/16)
Riyana Miranti	Ordinary Member
Liam McNicholas	Ordinary Member (appointed 23/08/16)
Lucy Mitchell	Ordinary Member (appointed 06/12/16)
Pauline Thorneloe	Ordinary Member (appointed 14/02/17)

Principal activities

The principal activities of the Association during the financial year were to represent the interests of families and the continuum of services which support families and individuals in the ACT and surrounding region.

Significant changes

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

2. Operating results and review of operations for the year

The surplus of the Association for the financial year amounted to \$ 28,765 (2016: \$21,961).

3. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of the affairs of the Association in subsequent financial years.

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

Board member: 

Board member: 

Dated this 27 day of August 2018

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2018**

		2018	2017
	Note	\$	\$
Revenue	4	271,392	217,009
Employee benefits expense		(155,270)	(117,781)
Depreciation and amortisation expense		(220)	(685)
Projects		(25,841)	(20,986)
Sector development		(6,381)	(7,860)
Other operating expenses		(54,914)	(47,736)
Surplus for the year		<u>28,766</u>	<u>21,961</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>28,766</u>	<u>21,961</u>

The accompanying notes form part of these financial statements.

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	186,305	163,588
Trade and other receivables	7	-	42
Other assets	9	3,038	3,038
TOTAL CURRENT ASSETS		189,343	166,668
NON-CURRENT ASSETS			
Property, plant and equipment	8	-	220
TOTAL NON-CURRENT ASSETS		-	220
TOTAL ASSETS		189,343	166,888
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	3,776	21,271
Employee benefits	11	52,634	34,711
Other financial liabilities	12	2,375	10,250
Other liabilities		1,136	-
TOTAL CURRENT LIABILITIES		59,921	66,232
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		59,921	66,232
NET ASSETS		129,422	100,656
EQUITY			
Retained earnings		129,422	100,656
TOTAL EQUITY		129,422	100,656

The accompanying notes form part of these financial statements.

Families ACT (FACT) Incorporated
ABN: 28 269 108 837

Statement of Changes in Equity
For the Year Ended 30 June 2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	100,656	100,656
Surplus for the year	28,766	28,766
Balance at 30 June 2018	129,422	129,422
Balance at 1 July 2016	105,826	105,826
Surplus for year	21,961	21,961
Transfers from retained earnings	(27,131)	(27,131)
Balance at 30 June 2017	100,656	100,656

The accompanying notes form part of these financial statements.

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Statement of Cash Flows
For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from government and others	284,554	215,825
Payments to suppliers and employees	(265,362)	(182,500)
Interest received	3,525	2,914
Net cash provided by/(used in) operating activities	<u>22,717</u>	<u>36,239</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	22,717	36,239
Cash and cash equivalents at beginning of year	<u>163,588</u>	<u>127,349</u>
Cash and cash equivalents at end of financial year	<u>6</u> <u>186,305</u>	<u>163,588</u>

The accompanying notes form part of these financial statements.

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial statements cover Families ACT (FACT) Incorporated as an individual entity. Families ACT (FACT) Incorporated is a not-for-profit Association incorporated in the Australian Capital Territory under the *Associations Incorporation Act (ACT) 1991* ('the Act').

The functional and presentation currency of Families ACT (FACT) Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Regime and the Act.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the period in which they occur.

(c) 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 revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity 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.

Families ACT (FACT) Incorporated receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

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

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

Other income

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

(d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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.

(f) 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 nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(f) **Property, plant and equipment
Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Computer Equipment	40%

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.

(g) **Financial instruments**

Financial instruments are recognised initially using trade date accounting, i.e. 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

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Association's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Association does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(g) Financial Instruments

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Association's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Association uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Association's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(h) 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.

(i) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting 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 .

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(i) Employee benefits

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. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

3 Critical Accounting Estimates and Judgements

The directors 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 - impairment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

4 Revenue and Other Income

Revenue from continuing operations

	2018	2017
	\$	\$
- Member subscriptions	4,864	5,236
- Interest received	3,525	2,914
- Grants	207,791	175,008
- Other income	55,212	33,850
Total Revenue	271,392	217,008

5 Result for the year

The result for the year was derived after charging / (crediting) the following items:

Employee benefits expense	155,270	117,781
Auditing or reviewing the financial report	4,229	3,900
Depreciation & amortisation expense	220	685
	159,719	122,366

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	186,305	163,588
	<u>186,305</u>	<u>163,588</u>

7 Trade and Other Receivables

CURRENT		
Trade receivables	-	42
Total current trade and other receivables	<u>-</u>	<u>42</u>

8 Property, plant and equipment

PLANT AND EQUIPMENT		
Computer equipment		
At cost	1,590	1,590
Accumulated depreciation	(1,590)	(1,370)
Total property, plant and equipment	<u>-</u>	<u>220</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Computer Equipment	Total
	\$	\$
Year ended 30 June 2018		
Balance at the beginning of year	220	220
Depreciation expense	(220)	(220)
Balance at the end of the year	<u>-</u>	<u>-</u>

9 Other Assets

CURRENT		
Prepayments	3,010	3,010
Accrued income	28	28
	<u>3,038</u>	<u>3,038</u>

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Notes to the Financial Statements For the Year Ended 30 June 2018

10 Trade and Other Payables

	2018	2017
	\$	\$
Current		
Trade payables	-	17,785
GST payable	(100)	(1,457)
Accrued expenses	3,795	3,300
Super payable	-	885
Other payables	81	758
	<u>3,776</u>	<u>21,271</u>

11 Employee Benefits

Current liabilities		
Redundancy	43,212	27,132
Annual leave	9,422	7,579
	<u>52,634</u>	<u>34,711</u>

12 Other Financial Liabilities

Grants received in advance	2,375	10,250
	<u>2,375</u>	<u>10,250</u>

13 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Association is \$ 124,948 (2017: \$ 116,997).

No income was paid or payable, or otherwise made available, to any members of the board or any related party.

14 Contingencies

In the opinion of the Board, the Association did not have any contingencies at 30 June 2018 (30 June 2017: None).

15 Related Parties

(a) The Association's main related parties are as follows:

Key management personnel - refer to Note 13.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

16 Economic Dependence

The Association is largely assisted in its activities by operating grants provided by the Australian Capital Territory Government. At the date of this report, the members of the board had no reason to believe that the Australian Capital Territory Government would not continue to provide support to Families ACT (FACT) Incorporated.

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

Notes to the Financial Statements

For the Year Ended 30 June 2018

17 Events after the end of the Reporting Period

The financial report was authorised for issue on date of signing by Board.

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.

Families ACT (FACT) Incorporated

ABN: 28 269 108 837

**Notes to the Financial Statements
For the Year Ended 30 June 2018**

18 Statutory Information

The principal place of business of the association is:
Families ACT (FACT) Incorporated
46 Clianthus Street
O'Connor ACT 2602

Families ACT (FACT) Incorporated

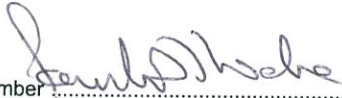
ABN: 28 269 108 837

Statement by the Board

In the opinion of the board the financial report as set out on pages 2 to 14:

1. Present fairly the financial position of Families ACT (FACT) Incorporated as at 30 June 2018 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.
2. At the date of this statement, there are reasonable grounds to believe that Families ACT (FACT) Incorporated will be able to pay its debts as and when they fall due.

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

Board member 

Board member 

Dated this 27 day of August 2018

Principal Phillip W Miller CA
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Canberra ACT 2601
Phone (02) 6274 3400
Web www.vincent.com.au
ASIC Authorised Audit Company No. 408893

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE FAMILIES ACT (FACT) INCORPORATED**

Opinion

We have audited the financial report of Families ACT (FACT) Incorporated (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and managements' assertion statement.

In our opinion, the financial report of Families ACT (FACT) presents fairly, in all material respects, including:

- a) gives a true and fair view of the Association's financial position as at 30 June 2018 and of its performance for the year ended on that date;
- b) is in accordance with the provisions of the *Associations Incorporation Act 1991*; and
- c) is complying with Australian Accounting Standards – Reduced Disclosure Regime.

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 Association 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

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act 1991* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that 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 intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 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 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

MCS Audit Pty Ltd



Phillip W Miller CA
Director

Dated: 30 August 2018