Colac Otway Disability Accommodation Inc.

COLAC OTWAY DISABILITY ACCOMMODATION INC.
Registered No. A0011803V

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Colac Otway Disability Accommodation Inc.

BOARD OF MANAGEMENT REPORT

The Board of management present their report, together with the financial statements, on Colac Otway Disability Accommodation Inc. (CODA) for the financial year ended 30 June 2023.

Board Members
The following persons were board members during the whole of the financial year and up to the date of this report, unless otherwise stated:

Karen Brady - Chairperson	John Scarrott
Mary Carew - Vice Chairperson	Ross Suares
Edmund Morrissey - Treasurer	Tim Clarke
Chris Houtsma	

Our Vision
An inclusive community in which all people have the opportunity to fulfil their unique potential.

Our Mission

CODA is committed to providing our clients with a range of quality, community-based support programs which are flexible, accessible, affordable and safe; while promoting each persons' independence and value as a member of the community.

CODA currently provides a range of support programs for people with a disability, including shared supported accommodation, short term accommodation, support to live independently and community participation. All services provided by CODA are funded on an individual basis by the National Disability Insurance Scheme (NDIS), the Department of Families, Fairness and Housing (DFFH) or the Transport Accident Commission (TAC).

Strategy for achieving the Vision and Mission of the organisation
CODA operates on a three-year strategic planning cycle recognising that the organisation is subject to the NDIS funding framework which is still both very unstable and has some service types which have a transitional pricing framework that reduces by 1.5% annually.

Principal Activities
CODA currently provides a range of support programs for people with a disability, including Supported Independent Living in individual or shared accommodation settings, Specialist Disability Accommodation and other housing options, Short Term Accommodation, support to live independently in the community and community participation. All services provided by CODA are funded on an individual basis by the National Disability Insurance Scheme (NDIS), the Department of Families, Fairness and Housing (DFFH) or the Transport Accident Commission (TAC).

Performance measures
CODA measures its performance against the feedback and progress towards goal attainment of our clients, meeting the reporting requirements and quality standards of the applicable funding bodies and progress against the Strategic and Business plan.

Operating Result
The surplus from ordinary activities amounted to $91,089 (2022: deficit ($478,844)).

After Balance Date Events
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.

Signed on behalf of the board:

Karen Brady - Chairperson

Date: 4 September 2023

Colac Otway Disability Accommodation Inc.

COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $	2022 $
REVENUE			
Resident fees including rent		211,583	181,322
Funding income		5,889,383	5,484,505
Bus mileage		84,915	73,667
Other subsidies		44,254	30,814
Other revenue		78,399	43,299
TOTAL REVENUE		**6,308,534**	**5,813,607**
EXPENSES			
Occupancy & maintenance		(262,576)	(223,539)
Other expenses		(308,953)	(369,754)
Employee benefits expense		(5,485,607)	(5,497,866)
Depreciation & Amortisation expense		(107,549)	(145,130)
Bus mileage		(52,760)	(56,162)
TOTAL EXPENSES		**(6,217,445)**	**(6,292,451)**
NET RESULT FOR THE YEAR		**91,089**	**(478,844)**
COMPREHENSIVE INCOME FOR THE YEAR		**91,089**	**(478,844)**

The accompanying notes form part of these financial accounts.

Colac Otway Disability Accommodation Inc.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023 $	2022 $
ASSETS			
Current Assets			
Cash and Cash Equivalents	2	810,047	988,035
Trade and other receivables	3	512,475	571,651
Financial assets	4	1,268,928	1,265,802
Other Assets	5	101,891	94,973
Total Current Assets		**2,693,341**	**2,920,461**
Non Current Assets			
Property plant and equipment	6	1,989,083	1,539,669
Right-of-use asset	7	73,993	106,879
Total Non Current Assets		**2,063,076**	**1,646,548**
TOTAL ASSETS		**4,756,417**	**4,567,009**
LIABILITIES			
Current Liabilities			
Trade creditors and other payables	8	319,164	307,705
Employee provisions	10	864,793	728,859
Lease liabilities	7	35,030	32,158
Other liabilities	9	33,513	139,800
Total Current Liabilities		**1,252,500**	**1,208,522**
Non Current Liabilities			
Employee provisions	10	185,907	96,536
Lease liabilities	7	41,034	76,064
Total Non Current Liabilities		**226,941**	**172,600**
TOTAL LIABILITIES		**1,479,441**	**1,381,122**
NET ASSETS		**3,276,976**	**3,185,887**
EQUITY			
Capital grants		1,051,757	1,051,757
Retained Earnings		2,225,219	2,134,130
TOTAL EQUITY		**3,276,976**	**3,185,887**

The accompanying notes form part of these financial accounts.

Colac Otway Disability Accommodation Inc.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Capital grants $	Retained earnings $	Total $
Balance 30 June 2021	**1,051,757**	**2,612,974**	**3,664,733**
Comprehensive Result for the year	-	(478,844)	(478,844)
Balance 30 June 2022	**1,051,757**	**2,134,130**	**3,185,887**
Comprehensive Result for the year	-	91,089	91,089
Balance 30 June 2023	**1,051,757**	**2,225,219**	**3,276,976**

The accompanying notes form part of these financial accounts.

Colac Otway Disability Accommodation Inc.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from residents		260,640	181,322
Receipts from subsidies		5,889,383	5,239,358
Other receipts		211,583	147,780
Interest received		0	4,146
Net GST received/(paid)		(8,897)	27,488
Payments to suppliers and employees		(5,968,258)	(5,704,436)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		**384,451**	**(104,342)**
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase)/redemption of financial assets		(3,126)	(2,629)
Payments for property, plant and equipment		(527,155)	(231,990)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**(530,281)**	**(234,619)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Operating lease repayments		(32,158)	(31,544)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		**(32,158)**	**(31,544)**
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD		**(177,988)**	**(370,505)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**988,035**	**1,358,540**
CASH AND CASH EQUIVALENTS AT END OF YEAR		**810,047**	**988,035**

The accompanying notes form part of these financial accounts.

Colac Otway Disability Accommodation Inc.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Statement Of Accounting Policies

The financial report covers Colac Otway Disability Accommodation Inc. as an individual entity. Colac Otway Disability Accommodation Inc. is in an association incorporated in Victoria and operating pursuant to the Associations Incorporation Reform Act 2012 (VIC).and the *Australian Charities and Not-for-profits Commission Act 2012* .

The financial statements were authorised for issue on the 4th September 2023 by the Board.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Associations Incorporation Reform Act 2012 and Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board and the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The association is a not-for-profits entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(a) Income Tax

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

(b) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation

Depreciation is calculated on a straight-line basis to write off the net of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Class of Fixed Asset	
Buildings	40 years
Plant and equipment	3-7 years
Motor Vehicles	5-7 years
Office furniture and equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(c) Leases

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and corresponding lease liability are recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

(c) Leases (cont.)

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentive;
- variable lease payments that depend on an index or rate, initially measured using the index or the rate at the commencement date;
- the amount expected to be payable by the lessee under the residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term of useful life of the underlying asset, whichever is the shortest. Where lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(d) Financial instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost.

A financial liability cannot be reclassified

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The association initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is a part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis.

(d) Financial instruments (cont.)

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal or a previously recognised financial asset or financial liability from the balance sheet.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment

The association recognises a loss allowance for expected credit losses on:
- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customer under construction contracts)
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:
- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc.)

Recognition of expected credit losses in financial statements

At each reporting date, the association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost included the loss allowance relating to that asset.

(e) Accounts Receivables and Other Debtors

Accounts receivable and other debtors include amounts due from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

(e) Accounts Receivables and Other Debtors cont.

Portable long service leave scheme receivable

Colac Otway Disability Accommodation Inc. is a Participant Employer of the Portable Long Service Leave Scheme (PLSLS). As a Participant Employer, Colac Otway Disability Accommodation Inc. contributes an quarterly levy to PLSLS. The quarterly levy amount is equivalent to 1.65% of the time worked and ordinary wages paid to their employees. Pursuant to Portable Long Service Leave Regulations 2020, the PLSLS has an obligation to Participant Employers to pay from the Scheme, benefits to them as a reimbursement for long service leave paid or payable to their employees. In accordance with the Scheme Rules, the Participant Employers remain legally responsible for long service leave obligations.

Notwithstanding, in accordance with Accounting Standards, given the existence of the Scheme and the rules of the Scheme, where the long service leave obligation will be reimbursed by the Scheme, a reimbursement asset shall be recognised when and only when the reimbursement is virtually certain. Accounting standards specifically require the reimbursement to be treated as a separate asset that shall not exceed the value of the provision.

(f) Payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are Net 30 days.

(g) Employee Benefits

Short-term employee benefits

Provision is made for the associations obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The associations obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields on government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The associations obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

Long service leave portability

Employees entitled to the long service leave portability scheme will have their long service leave entitlement held by the scheme from the 1st of July 2019. If the employee is entitled to a higher benefit of longer service leave or is not entitled to the scheme, their benefit will be calculated per the short-term or other long-term employee benefits.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(g) Employee Benefits cont.

Long service leave portability
Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

The Portable Long Service Leave Scheme (PLSLS) was established to, in general, administer and manage the Scheme assets and provide a construct to provide portability of long service leave across the Victorian community service, contract cleaning and security sectors. Whilst Colac Otway Disability Accommodation Inc. is a Participant Employer under the PLSLS, the Scheme rules stipulate that employees' long service leave rests with the Participant Employer. A provision for long service leave is required to be recognised at the present value of the long service leave obligation. In accordance with accounting standards, the reimbursement asset is required to be recognised as a separate asset and the accounting policy for this has been summarised in Note 1(e).

(h) Revenue and Other Income
The association recognised revenue as follows:

Revenue form agreements with clients/customers
Revenue is recognised at an amount that reflects the consideration to which the association is expected to be entitled in exchange for transferring services to a customer. For each agreement with a customer, the association:
-develops the agreement with the customer;
-documents the client goals underpinning the agreement;
-determines the price for the service from the applicable government funding guide;
-allocates the service price to the separate roster of each service to be delivered; and
-recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services per agreement.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraints continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Donations
Donations are recognised at the time the pledge is made.

Grants

The association recognises income in profit or loss when or as the association satisfies its obligations under the terms of the grant.

Interest Income
Interest income is recognised using the effective interest method.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables in the inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with bank and other highly liquid investments with original maturities of three months or less.

(k) Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(l) Comparative Figures

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

(m) Key Estimates

Impairment

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

No impairment has been recognised.

(n) Key Judgements

Provision for impairment of Receivables

Management has completed an assessment of Receivables outstanding and have provided a provision for impairment.

Employee Benefits

For the purposes of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

(o) Key Judgements (cont.)

Employee benefit liabilities are classified as a non-current liability if the Association has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category. The Association applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the association does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value

Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with bond periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the association will make. The association determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the association.

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer to the goods or services promised.

(p) New and revised accounting standards for application in future periods.

The Association has adopted AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities for the first time this reporting period. The Standard, which sets out a new separate disclosures Standard to be applied to all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: Application of Tiers of Australian Accounting, replaced the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

As at 30 June 2023, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Colac Otway Disability Accommodation Inc has not and does not intend to adopt these standards early.

Standard / Interpretation	Applicable for annual reporting periods beginning on	Impact on entity financial statements
AASB 17: Insurance Contracts	Reporting periods on or after 1 July 2026	Adoption of this standard is not expected to have a material impact
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact
AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	Reporting periods on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact

Colac Otway Disability Accommodation Inc.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $
Note 2: Cash and cash equivalents		
Cash on hand	100	100
Cash at bank	809,947	987,935
	810,047	**988,035**
Note 3: Receivables		
Trade receivables	388,240	542,720
less Provision for doubtful debts	(15,000)	-
Accrued income	870	870
Portable Long Service Leave Scheme Receivable	116,752	-
Other Debtors	2,449	-
GST receivable	19,164	28,061
	512,475	**571,651**
Note 4: Financial assets		
Term deposits	**1,268,928**	**1,265,802**
Note 5: Other assets		
Prepayments	**101,891**	**94,973**
Note 6: Property, Plant & Equipment		
Land - at cost	550,479	452,479
Buildings - at cost	1,700,021	1,331,629
Less Accumulated Depreciation	(484,817)	(454,056)
Total Land and Buildings	**1,765,683**	**1,330,052**
Leasehold improvements - at cost	76,133	76,133
Less Accumulated Depreciation	(33,147)	(22,624)
	42,986	**53,509**
Furniture and fittings - at cost	435,665	483,208
Less Accumulated Depreciation	(366,863)	(418,326)
	68,802	**64,882**
Motor Vehicles - at cost	181,036	181,036
Less Accumulated Depreciation	(141,631)	(131,156)
	39,405	**49,880**
Office equipment - at cost	87,985	101,642
Less Accumulated Depreciation	(77,953)	(91,296)
	10,032	**10,346**
Works in progress	**62,175**	**31,000**
Total	**1,989,083**	**1,539,669**

Note 6: Property, Plant & Equipment (cont.)

Movements in carrying amounts:

	Land	Buildings	Leasehold improvements	Motor Vehicles	Plant, equipment & Fixtures	Works in progress	Total
	$	$	$	$	$		$
Balance at 1 July 2021	452,479	819,159	64,929	59,862	82,211	-	1,478,640
Additions	-	153,789	-	-	47,554	31,000	232,343
Disposals	-	(59,070)	-	-	(31)	-	(59,101)
Depreciation expense	-	(36,305)	(11,420)	(9,982)	(54,506)	-	(112,213)
Carrying amount at 30 June 2022	452,479	877,573	53,509	49,880	75,228	31,000	**1,539,669**
Balance at 1 July 2022	452,479	877,573	53,509	49,880	75,228	31,000	**1,539,669**
Additions	98,000	368,392	-		29,588	31,175	527,155
Disposals	-		-		(3,079)		(3,079)
Depreciation expense	-	(30,761)	(10,523)	(10,475)	(22,903)		(74,662)
Carrying amount at 30 June 2023	550,479	1,215,204	42,986	39,405	78,834	62,175	**1,989,083**

Colac Otway Disability Accommodation Inc.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $
Note 7: Right-of-use Asset		
Leased buildings	139,765	139,765
Accumulated depreciation	(65,772)	(32,886)
	73,993	106,879
	73,993	106,879
Movements in carrying amounts:		
Leased buildings:		
Opening balance	106,879	-
Additions	-	139,765
Amortisation expense	(32,886)	(32,886)
Net carrying amount	73,993	106,879
	73,993	106,879
Depreciation charge related to right-of-use assets	32,886	32,886
Interest expense on lease liabilities	2,872	3,487
Current lease liabilities	35,030	32,158
Non current lease liabilities	41,034	76,064
	76,064	108,222

Note 8: Payables

	2023 $	2022 $
Accrued expenses	195,998	216,570
PAYG Payable	60,315	69,825
Superannuation Payable	35,550	-
Other payables	27,301	21,310
	319,164	**307,705**

Note 9: Other Liabilities

	2023 $	2022 $
Current		
Income Received In Advance	4,787	117,936
Client monies held	28,726	21,864
	33,513	**139,800**

	2023 $	2022 $
Note 10: Employee Benefits		
Current		
Annual Leave		
- expected to be settled within the next 12 months	248,838	407,784
- expected to be settled after 12 months	188,396	-
Long Service Leave		
- expected to be settled within the next 12 months	27,754	10,000
- expected to be settled after 12 months	399,805	311,075
	864,793	**728,859**
Non Current		
Long Service Leave	185,907	96,536
	185,907	**96,536**
Total Employee benefits	**1,050,700**	**825,395**
Note 11: Cash Flow Information		
Net result for year	91,089	(478,844)
Non-cash flows in profit		
Depreciation and amortisation	107,549	145,130
Net (gain) / loss on disposal of assets	3,079	58,717
Bad debts	15,000	-
Changes in Assets & Liabilities:		
(Increase)/Decrease in receivables	44,175	(213,513)
(Increase)/Decrease in other assets	(6,918)	10,130
Increase/(Decrease) in other liabilities	(106,287)	68,572
Increase/(Decrease) in payables	11,459	135,965
Increase/(Decrease) in employee benefits	225,305	169,501
Net Cash provided by/(used in) Operating Activities	**384,451**	**(104,342)**

	2023	2022
	$	$

Note 12: Capital and Leasing Commitments

The association has capital commitments of	-	454,940
There are no other capital commitments as a 30 June 2023.		
Low value of short term lease commitments:		
Payable within 12 months	2,220	2,220
Payable 1 to 5 years	2,590	4,810
	4,810	**7,030**

Note 13: Contingent Liabilities and Contingent Assets

The association is not aware of any contingent liabilities or assets as at 30 June 2023 (2022: nil).

Note 14: Related party transactions

There have been no related party transactions during the year (2022: nil).

Note 15: Key Management Personnel Compensation

Key Management Personnel Remuneration	**153,339**	**152,994**

Note 16: Events subsequent to balance date

No matters or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the association's operations, the result of those operations or the association's state of affairs in future financial years.

Note 17: Auditor's Remuneration

Remuneration of the auditor:		
-auditing or reviewing the financial statements	**7,600**	**7,200**

Note 18: Association Details

The registered office and principal place of business is:

Colac Otway Disability Accommodation Inc.
Shop 6
58 Hesse Street
COLAC VIC 3250

Colac Otway Disability Accommodation Inc.

STATEMENT BY MEMBERS OF THE BOARD

In the opinion of the Board Members the financial report, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow and notes to the financial report:

1. Presents a true and fair view of the financial position of Colac Otway Disability Accommodation Inc. as at 30 June 2023 and its performance for the year ended on that date in accordance with Australian Accounting Standards - Simplified Disclosure Requirements (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

2. At the date of this statement, there are reasonable grounds to believe that Colac Otway Disability Accommodation Inc. will be able to pay its debts as and when they fall due.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulations 2022.

Karen Brady - Chairperson

Date: 4 September 2023

Common
COLAC OTWAY DISABILITY
ACCOMODATION INC.
A11808V
Seal

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE COLAC OTWAY DISABILITY ACCOMMODATION INC.

Opinion

We have audited the financial report, being a special purpose financial report of Colac Otway Disability Accommodation Inc., which comprises the statement of financial position as at 30 June 2023, and the comprehensive income statement, the cash flow statement, statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by members of the board.

In our opinion, the accompanying financial report of Colac Otway Disability Accommodation Inc. is in accordance with the Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, and financial reporting requirements of the *Associations Incorporation Reform Act 2012 (VIC)* including:

(a) giving a true and fair view of Colac Otway Disability Accommodation Inc.'s financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2023*.

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 Colac Otway Disability Accommodation Inc. 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, and we have 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 is prepared to assist Colac Otway Disability Accommodation Inc. in complying with the to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*, and the *Associations Incorporation Reform Act 2012 (VIC)*. 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 in accordance with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and *Associations Incorporation Reform Act (Vic) 2012* and for such internal control as management determines is necessary to enable the preparation 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 liquidate the Colac Otway Disability Accommodation Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Colac Otway Disability Accommodation Inc.'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 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 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 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 Colac Otway Disability Accommodation Inc.'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 Colac Otway Disability Accommodation Inc.'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 Colac Otway Disability Accommodation Inc. 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.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

McLaren Hunt

MCLAREN HUNT
AUDIT AND ASSURANCE

NARELLE MCLEAN
PARTNER

Dated at Warrnambool; 14 September 2023