

Report on the Audit of the Financial Report of Hobart City Mission Incorporated

Opinion

We have audited the financial report of Hobart City Mission Inc. which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 30 June 2019 then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion, the accompanying financial report of Hobart City Mission Inc. has been prepared in accordance with the *Associations Incorporation Act* and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year 30 June 2019 then ended; 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 for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the *Associations Incorporation Act*, the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 registered entity's financial reporting responsibilities under the *Associations Incorporation Act* and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*. 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 Board of Management for the Financial Report

The Board of Management are responsible for the preparation and fair presentation of the financial report in accordance with the reporting requirements of the *Associations Incorporation Act* and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*. The Board of Management's 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 Board of Management 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.

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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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.



JOANNE DOYLE

Partner

Wise Lord & Ferguson

Date: 28 October 2019

Auditor's Independence Declaration to the Directors of Hobart City Mission Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of the auditor independence requirements of the *Corporation Act 2001* or any applicable code of professional conduct in relation to the audit of the abovementioned entities.



JOANNE DOYLE

Partner

WLF Accounting & Advisory

23 October 2019

Part 3 - Hobart City Mission Financials

STATEMENT BY OFFICERS

In the opinion of Hobart City Mission Inc. (HCM) Board of Management, as the body corporate responsible for the administration of HCM established, constituted and funded pursuant to the *Associations Incorporation Act 1964*:

- The accompanying financial statements of HCM are a special purpose financial report properly drawn up so as to present fairly the financial position of HCM as at 30 June 2019 and the results of its operations for the year ending on that date in accordance with the *Associations Incorporation Act 1964*, *Australian Charities and Not-for-Profits Commission Act 2012*, Australian Accounting Standards, where applicable and other mandatory professional requirements.
- HCM has been operating in accordance with the provisions of the Rules of Association and Constitution of HCM as approved pursuant to the *Associations Incorporation Act 1964*.

HCM is funded from a number of sources including government grants, subsidies, contributions, donations and investment income. Other sources of income include resident fees, client fees, fundraising appeals, trusts and bequests which are also vital to the work of HCM. HCM supports various programs that receive government grants by way of extra contributions as well as self-funding a number of important pilot programs.

HCM appreciates the generous financial and in-kind support of government, philanthropic trusts, community groups, the corporate sector, churches and individuals which make it possible to run and support many services and programs.

The Board and Management of HCM continue to ensure that long term investment strategies, planning and budgeting processes are in place to ensure the ongoing viability of the many services it provides which enable HCM to meet its objectives. The Board and Management regularly review programs and services to ensure that people in need receive the best support possible.

HCM supporters can be confident that the resources available are properly and efficiently managed.



John Minchin
PRESIDENT
Date: 23/10/19



John Stuble
CEO AND PUBLIC OFFICER
Date: 23/10/19

STATEMENT OF COMPREHENSIVE INCOME
HOBART CITY MISSION INC
Year Ended 30 June 2019

		Consolidated Group	
	Notes	2019 \$	2018 \$
INCOME			
Fundraising & Donations		1,132,838	616,147
Grants	1(o)	1,669,791	3,187,289
NDIA Funding		4,040,331	1,826,831
Rent of Mission Properties & Transitional Housing		386,760	335,247
Retail Sales		1,133,171	902,060
Interest Income		242,120	178,243
Other		115,987	30,328
TOTAL INCOME		8,720,998	7,076,145
EXPENDITURE			
Fundraising Outlays		54,900	69,241
Motor Vehicle Costs		79,491	48,259
Property Costs		139,546	152,329
Rents - Retail Outlets		237,478	186,631
Rents - Transitional Housing		80,808	80,860
Staffing Costs		6,366,594	5,464,020
Other - Operating & Welfare Costs		1,192,165	1,042,033
TOTAL EXPENDITURE		8,150,982	7,043,373
NET SURPLUS / (DEFICIT) FROM OPERATIONS		570,016	32,772
NON-OPERATING INCOME			
Trust Fund Allocations	8	24,612	49,226
Bequests & Donations	1(c)	187,312	626,816
TOTAL NON-OPERATING INCOME		211,924	676,042
NET SURPLUS AFTER NON-OPERATING ITEMS		781,940	708,814
OTHER COMPREHENSIVE INCOME			
Increase in Market Value of Investments		50,447	73,836
Revaluation of Land & Buildings		-	1,534,499
TOTAL OTHER COMPREHENSIVE INCOME		50,447	1,608,335
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		832,387	2,317,149

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
HOBART CITY MISSION INC
As at June 30 2019

		Consolidated Group	
	Notes	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash at Bank	2	1,348,797	1,289,630
Investments	3	4,424,957	5,427,413
Prepayments		-	14,964
Inventory		59,376	69,868
Sundry Debtors		615,492	327,845
Total Current Assets		6,448,622	7,129,720
NON CURRENT ASSETS			
Property, Plant & Equipment	4	7,802,317	7,883,553
Deferred Borrowing Costs		240	468
Total Non-Current Assets		7,802,557	7,884,021
TOTAL ASSETS		14,251,179	15,013,741
LIABILITIES			
CURRENT LIABILITIES			
Employee Entitlements	6	534,779	375,643
GST Liability		73,928	62,092
Trust Funds	1(q), 8	-	24,612
Other Creditors and Accruals	5	742,534	1,142,759
Total Current Liabilities		1,351,241	1,605,106
NON CURRENT LIABILITIES			
Employee Entitlements	7	177,515	230,933
Murdoch Clarke Mortgage		29,834	1,275,000
Property Development Conversion Grant		894,997	937,497
Total Non-Current Liabilities		1,102,346	2,443,430
TOTAL LIABILITIES		2,453,587	4,048,536
NET ASSETS		11,797,592	10,965,205
EQUITY			
Accumulated Funds		2,878,897	2,376,830
Reserves	9	8,918,695	8,588,375
EQUITY		11,797,592	10,965,205

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
HOBART CITY MISSION INC
As at June 30 2019

Consolidated Group

	Revaluation Reserve	Fair Value Investment Reserve	Bequest Reserve	Accumulated Funds	Total
	\$	\$	\$	\$	\$
Balance as at 30 June 2017	1,554,504	-	4,990,030	2,103,522	8,648,056
Surplus / (Deficit) for the Year	-	-	-	708,814	708,814
Other Comprehensive Income	1,534,499	73,836	-	-	1,608,335
Investment Earnings	-	-	435,506	(435,506)	-
Balance as at 30 June 2018	3,089,003	73,836	5,425,536	2,376,830	10,965,205
Surplus / (Deficit) for the Year	-	-	-	781,940	781,940
Other Comprehensive Income	-	50,447	-	-	50,447
Investment Earnings	-	-	279,873	(279,873)	-
Balance as at 30 June 2019	3,089,003	124,283	5,705,409	2,878,897	11,797,592

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
HOBART CITY MISSION INC
As at June 30 2019

		Consolidated Group	
	Notes	2019 \$	2018 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Operating Grants Received		1,408,545	3,187,289
Receipts from Customers		6,594,631	3,829,467
Interest Received		242,120	178,243
Bequest & Donations		187,312	626,816
Payments to Suppliers and Employees		(8,115,855)	(6,440,297)
Finance Costs		(11,498)	(9,669)
Net Cash Inflow (Outflow) from Operating Activities	11(b)	<u>305,255</u>	<u>1,371,849</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Payments for Property, Plant & Equipment		(53,825)	(170,610)
Proceeds from / (Payment for) Investments		1,052,903	(1,635,270)
Proceeds from Available for Sale Assets		-	762,500
Net Cash Inflow (Outflow) from Investing Activities		<u>999,078</u>	<u>(1,043,380)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of Borrowings		(1,245,166)	-
Net Cash Inflow (Outflow) from Financing Activities		<u>(1,245,166)</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents		59,167	328,469
Cash at the beginning of the financial year		1,289,630	961,161
Cash and Cash Equivalents at the End of Year	11(a)	<u><u>1,348,797</u></u>	<u><u>1,289,630</u></u>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
FOR THE YEAR ENDED 30 JUNE 2019**

1. SUMMARY OF ACCOUNTING POLICIES

a) Basis of Accounting

Hobart City Mission Inc. is a body corporate incorporated under the Associations Incorporation Act 1964. In the event of HCM being wound up, the liability of members is determined by its constitution. The financial statements, comprising a statement by the officers, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the statements are a special purpose financial report that has been prepared in accordance with the recognition and measurement elements of Australian Accounting Standards, except for the depreciation of buildings, and the requirements of the Associations Incorporations Act 1964. The Directors have decided that these Statements are appropriate to meet the needs of members and grant accountability to provider organisations. The accounting policies based on accrual accounting principles, have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

The financial report has been prepared in accordance with The Associations Incorporations Act 1964 and the following Accounting Standards and other mandatory professional reporting requirements:

- AASB 101 - Presentation of Financial Statements
- AASB 107 - Statement of Cash Flows
- AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 - Events After Balance Sheet Date
- AASB 1048 - Interpretation of Standards
- AASB 1054 - Australian Additional Disclosures.

b) Principals of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the entities controlled by Hobart City Mission Inc. at the end of the reporting period. A controlled entity is an entity over which Hobart City Mission Inc. has the power to govern the financial and operating policies so as to obtain benefits from its activities. Hobart City Mission Inc.'s consolidated group consists of:

- Hobart City Mission Inc.
- HCM Property Management Pty Ltd as Trustee for
 - Stoke Street Unit Trust
 - Haig Street No. 1 Unit Trust
 - Haig Street No. 2 Unit Trust

In preparing the consolidated financial statements, all intra group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

c) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Grant income is recognised when the entity obtains control over the funds, which is generally at time of receipt. If conditions are attached to the grant that must be satisfied before HCM is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

d) Interest Revenue

This represents the total income earned on specific purpose and other funds available to maximise returns. Internally this interest is apportioned to various programs and trust funds and is recognised in relevant grant acquittal statements as income, where appropriate. It is included in the individual programs operating income when allocated.

**NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
FOR THE YEAR ENDED 30 JUNE 2019**

e) Sale of Non-Current Assets

The net profits/losses of non-current asset sales are included in the Statement of Comprehensive Income at the date control of the asset passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

f) Income Tax

Hobart City Mission Inc. is exempt from Income tax.

g) Goods and Services Tax

Revenues, expenses and assets are recognised net of any amount of goods and services tax (GST). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as a current asset or current liability in the Statement of Financial Position.

h) Cash and Cash Equivalents

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

i) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the organisation. Accounts payable are normally settled within 30 days. The carrying amount of accounts payable approximates net fair value.

j) Interest Bearing Liabilities

Loans are carried on the Statement of Financial Position at their principal amount.

k) Property, Plant & Equipment

All property, plant and equipment are initially measured at cost and are depreciated over their useful lives on a straight-line basis. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

l) Asset Acquisition

All assets acquired, representing property, plant and equipment are initially recorded at their cost of acquisition. HCM premises have been revalued to reflect market value and the revaluation details are clearly shown in the notes and in the Statement of Changes in Equity.

**NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
FOR THE YEAR ENDED 30 JUNE 2019**

m) Depreciation

The components of major assets, that have materially different useful lives, are effectively accounted for as separate assets, and are separately depreciated.

All non-current assets have limited useful lives and are depreciated using the straight-line method over their estimated useful lives. Assets are depreciated from the date of acquisition or project completion. Depreciation rates and methods are reviewed annually for appropriateness. Plant and equipment purchases over \$1,000 are capitalised, assets with a value of \$1,000 or less are expensed.

The depreciation rates used for each class of asset are as follows:

	2019	2018
• Furniture & Equipment	7%-25%	7%-25%
• Computer Equipment	33%	33%
• Motor Vehicles	15%	15%
• Software Development	20%	20%
• Leasehold Improvements	5%	5%

n) Leases

HCM leases several properties from the Government and the private sector, to run different programs. The tenants are charged a rental where appropriate and the charges are reviewed periodically.

o) Government and Other Grants

The tables below summarise the distribution of grant funding received in 2017/18 and 2018/19.

			Consolidated Group	
PROGRAM	TASMANIAN GOVERNMENT		2019	2018
			\$	\$
	Community Integration Program (Group Homes)	1(p)	-	1,304,851
	Community Access Program (Group Homes)	1(p)	-	151,061
	IFSS Partnership		570,361	548,233
	CSP - Personal & Family Counselling		119,628	100,260
	Premier's Grant - Hobart & Glenorchy Welfare		25,000	25,000
	One Community Together		38,842	-
	Housing Connect		376,143	364,901
	ISP Program		129,743	294,832
	Property Development – Loan to Grant Conversion		42,500	42,500
	Other		20,873	-
			<u>1,323,090</u>	<u>2,831,638</u>

Note Continued

**NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
FOR THE YEAR ENDED 30 JUNE 2019**

1. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

		Consolidated Group	
PROGRAM	AUSTRALIAN GOVERNMENT	Note	
			2019 2018
			\$ \$
	DEEWR - Chaplaincy		90,000 101,000
	Commonwealth - Emergency Relief		256,701 254,651
			<u>346,701 355,651</u>
	TOTAL GRANT FUNDING RECOGNISED		<u>1,669,791 3,187,289</u>
 GRANTS CARRIED FORWARD AS A CURRENT LIABILITY			
PROGRAM			
	Group Homes	1(p)	- 332,138
	Continuity of Support	5	54,441 -
	One Community Together	5	55,940 -
			<u>110,381 332,138</u>

p) Group Homes

In 2019, the Group Homes program has transitioned to a fee for service model funded by the NDIS's Supported Independent Living (SIL) program. As a result, income for this service has been captured under the NDIA income in the Statement of Comprehensive Income and there is no liability for unspent grants as at 30 June 2019.

q) Trust Funds

Where a bequest or donation has been given for specified purposes, or where the Board of Management specifies a purpose for funds received by HCM, the amount required for expenditure in future periods is carried as a liability shown in the Statement of Financial Position as Trust Funds.

r) Valuation of Non-Current Assets

i) Barrack Street, Main Road Moonah & Stoke Street

The carrying value of these property reflects independent valuations obtained by Saunders & Pitt in August 2018. The Association asserts the valuations reflect the fair value of the properties as at 30 June 2018. The valuations have been completed by Mr Andrew Pitt, Certified Practising Valuer and endorsed by Mr Russell Cripps & Bill Parsons, Certified Practising Valuers and Principals of Saunders & Pitt.

ii) Lenah Valley Centre

In June 2012 redevelopment of Haig Street commenced, converting the Church into group homes and construction of a new residence. The two lots were valued by independent valuer Saunders & Pitt in August 2018 and it is this value that is reflected in the Statement of Financial Position. The Association asserts this valuation reflects the fair value of the property as at 30 June 2018. The valuation has been completed by Mr Andrew Pitt, Certified Practising Valuer.

This property was gifted, by Hobart City Mission Inc. to HCM Property Management Pty Ltd. HCM Property Management Pty Ltd is part of the consolidated group.

NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
FOR THE YEAR ENDED 30 JUNE 2019

1. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

v) Other Non-Current Assets

These consist of motor vehicles, furniture and equipment and computer equipment and are maintained at cost values less depreciation allowances which are made in accordance with accounting policy in note 1(m).

s) Employee Entitlements

i) Annual Leave

The provision for employees' entitlements for annual leave represents the amount HCM has a present obligation to pay, resulting from employees' services up to balance date. The provision is a current liability and has been calculated on current wage and salary rates and includes the provision for superannuation, workers' compensation insurance and leave loading obligations.

ii) Long Service Leave

A liability for long service leave exists for all employees who have completed five years of service. The current liability provision consists of entitlements at current wage and salary rates plus on-costs for superannuation and workers' compensation.

t) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures, unless otherwise stated.

u) New Accounting Standards Adopted by the Association

AASB 9: Financial Instruments. HCM has adopted AASB 9 with a date of initial application of 1 July 2018. As a result, HCM has changed its financial instruments accounting policy as detailed in this note. The Board of management determined the existing financial assets as at 1 July 2018, based on the facts and circumstances that were present on the initial application of AASB 9 had the following effect:

- HCM's investments in equity instruments not held for trading that were previously classified as available-for-sale financial assets and were measured at fair value have been designated as at fair value through other comprehensive income. The movement in fair value on equity instruments is accumulated in the financial assets reserve; and
- Financial assets as held to maturity and loans and receivables that were measured at amortised cost continue to be measured at amortised cost under AASB 9 as they are held to collect contractual cash flows which consist solely of payments of principal and interest on the principal amount outstanding.

AASB 16: Leases. This standard is applicable from 1 July 2019 and as at the reporting date, the Board of management are yet to have assessed the impact of AASB 16 on the financial statements.

AASB 1058: Income for Not-for-Profit Entities has been adopted and there was no impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
FOR THE YEAR ENDED 30 JUNE 2019

	Consolidated Group	
	2019	2018
	\$	\$
2. CASH AT BANK		
Bank Accounts	1,346,097	1,287,030
Cash Floats	2,700	2,600
Total Cash	1,348,797	1,289,630
\$1,282,329 of the total cash is restricted as it represents monies held in relation to the Bequest Reserve.		
3. INVESTMENTS (CURRENT)		
Investments	4,424,957	5,427,413
Total Investments (Current)	4,424,957	5,427,413
\$4,423,080 of investments is restricted as it represents monies held in relation to the Bequest Reserve.		
4. PROPERTY PLANT & EQUIPMENT		
<i>Land & Buildings</i>		
Barrack Street (Revaluation – June 2018)	1,645,666	1,645,666
Barrack Street Building	431,478	454,334
	2,077,144	2,100,000
Haig Street (Revaluation – June 2018)	1,530,000	1,530,000
	1,530,000	1,530,000
Stoke Street (Revaluation – June 2018)	2,900,000	2,900,000
	2,900,000	2,900,000
11-13 Main Road, Moonah (Revaluation – June 2018)	432,266	432,266
Moonah Land & Building	548,615	557,734
	980,881	990,000
Total Land & Buildings	7,488,025	7,520,000

NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
FOR THE YEAR ENDED 30 JUNE 2019

	Consolidated Group	
	2019	2018
	\$	\$
4. PROPERTY PLANT & EQUIPMENT (CONT'D)		
<i>Furniture & Equipment</i>		
At Cost	634,121	614,155
Accumulated Depreciation	(537,214)	(504,626)
Total Furniture & Equipment	96,907	109,529
<i>Computer Equipment</i>		
At Cost	337,390	310,531
Accumulated Depreciation	(278,570)	(250,591)
Total Computer Equipment	58,820	59,940
<i>Motor Vehicles</i>		
At Cost	305,759	305,759
Accumulated Depreciation	(241,129)	(212,805)
Total Motor Vehicles	64,630	92,954
<i>Leasehold Improvements</i>		
At Cost	61,078	63,168
Accumulated Depreciation	(4,225)	(1,169)
Total Leasehold Improvements	56,853	61,999
<i>Capital Works in Progress</i>		
Rebranding Project	40,980	40,980
Accumulated Amortisation	(3,898)	(1,849)
Total Capital Works In Progress	37,082	39,131
Total Property Plant & Equipment	7,802,317	7,883,553
5. OTHER LIABILITIES		
Trade Creditors	165,302	49,384
Wage Accrual	159,385	162,480
Grants Unexpended	110,381	332,138
Mission Money Outstanding	10,688	12,067
Sundry Accruals	296,778	586,690
Total Other Liabilities	742,534	1,142,759

NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
FOR THE YEAR ENDED 30 JUNE 2019

	Consolidated Group	
	2019	2018
	\$	\$
6. EMPLOYEE ENTITLEMENTS (CURRENT)		
Annual Leave	355,360	312,743
Long Service Leave	179,419	62,900
Total Employee Entitlements (Current)	534,779	375,643
7. EMPLOYEE ENTITLEMENTS (NON-CURRENT)		
Long Service Leave	177,515	230,933
Total Employee Entitlements (Non-Current)	177,515	230,933

8. TRUST FUNDS

	Bequest Condition or Allocation	Opening Balance 2018	2019 Additional Bequests/ Donations	2019 Draw Down	2019 Notational Interest	Closing Balance 2019
K Grace Bequest	ER 100%	24,612	-	(24,612)	-	-
Total		24,612	-	(24,612)	-	-

9. RESERVES

a) Revaluation Reserve

The revaluation reserve is used to record increments in the value of non current assets.

b) Fair Value Investment Reserve

All investments held by HCM, excluding held to maturity investments, have been designated as fair value through Other Comprehensive Income. In accordance with *AASB 9 Financial Instruments*, increases and decreases in the fair value of investments held are recognised in the Fair Value Investment Reserve. Gains and losses on sale and impairments are recognised through Other Comprehensive Income.

c) Bequest Reserve

This reserve relates to a bequest received by HCM in 2017 for the specific purpose of providing support services over the medium to long term to aged and homeless men. The reserve is reflected by monies held in cash at bank and investments.

NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
FOR THE YEAR ENDED 30 JUNE 2019

10. RELATED PARTY TRANSACTIONS

During the course of the financial year Hobart City Mission secured, on a commercial basis, services of organisations in which Members of the Board have a relationship. In all such cases the HCM Boards Conflict of Interest Policy was strictly adhered to and where appropriate members declined to participate in Board discussion and decision making. The related party relationships for which costs were incurred by HCM declared were:

- Gil Sawford, WLF Accounting & Advisory, provision of audit services and taxation advice.
- Damian Egan, Partner of Murdoch Clarke, Barristers and Solicitors and Director of Murdoch Clarke Mortgage Fund, provision of legal advice with respect to Estates and Bequests; and loans from and investment of funds in the Murdoch Clarke Mortgage Fund.

All transactions with related parties have been based on normal commercial terms.

	Consolidated Group	
	2019	2018
	\$	\$
11. CASHFLOW INFORMATION		
(a) Cash and Cash Equivalents		
Bank Accounts	1,346,097	1,287,030
Cash Floats	2,700	2,600
	1,348,797	1,289,630
(b) Reconciliation of cash flow from operations with surplus from operations:		
Surplus for the year	781,940	708,814
Depreciation	125,971	109,983
Landlord Contribution to Leasehold Improvements	9,090	-
Changes in assets and liabilities		
Decrease / (Increase) in Sundry Debtors	(287,647)	(240,041)
Decrease / (Increase) in Prepayments	14,964	(14,964)
Decrease / (Increase) in Inventory	10,492	(50,908)
Decrease / (Increase) in Deferred Borrowing Costs	228	228
(Decrease) / Increase in GST Liability	11,836	20,685
(Decrease) / Increase in Provisions	105,718	2,206
(Decrease) / Increase in Trust Funds	(24,612)	(49,226)
(Decrease) / Increase in Other Creditors & Accruals	(400,225)	927,572
(Decrease) / Increase in Property Development Grant	(42,500)	(42,500)
	305,255	1,371,849

NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
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	Consolidated Group	
	2019	2018
	\$	\$
12. AUDIT REMUNERATION		
Remuneration of the auditor, Wise Lord & Ferguson for:		
Auditing the financial statements	12,890	12,400
Total	12,890	12,000

13. PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 1 for a summary of the significant accounting policies relating to the group.

FINANCIAL POSITION

	2019	2018
	\$	\$
ASSETS		
Current Assets	6,723,294	7,361,936
Non-Current Assets	5,583,580	4,419,836
Total Assets	12,306,874	11,781,772
LIABILITIES		
Current Liabilities	1,351,241	1,610,220
Non-Current Liabilities	177,515	230,933
Total Liabilities	1,528,756	1,841,153
NET ASSETS	10,778,118	9,940,619
EQUITY	10,778,118	9,940,619
FINANCIAL PERFORMANCE		
Net Surplus After Non-Operating Items	731,493	703,700
Other Comprehensive Income	50,447	73,836
Total Comprehensive Income	781,940	777,536

NOTES TO THE FINANCIAL STATEMENTS
HOBART CITY MISSION INC
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14. HCM OPERATIONS FROM OTHER PREMISES

HCM leases external premises for the Retail Opportunity Shop outlets, in the following locations:

- Warrane
- Huonville
- Sorell
- Kingston
- Glenorchy
- Rosny Park

HCM also operates Retail outlets from its own property being:

- Partridge Nest
- Moonah Warehouse