

**TO THE COMMITTEE MEMBERS OF THE
HEADWAY GIPPSLAND INC**

Scope

We have audited the Financial Statements, consisting of income and expenditure statements and associated schedules of the HEADWAY GIPPSLAND INC for the year ended 30th June 2023.

The members of the Association are responsible for the preparation and presentation of the financial statements and the information contained therein. We have conducted an independent audit of the financial statements in order to express an opinion on them to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, these financial statements are presented fairly in accordance with Australian Accounting Standards and other professional reporting requirements, so as to present a view of the entity which is consistent with our understanding of its financial position and the results of its operation.

The audit opinion expressed in this report has been formed on this basis.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian auditing standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance that the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material mis-statement of the financial report that presents fairly in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

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

Opinion

In our opinion, the financial report of HEADWAY GIPPSLAND INC gives a true and fair view of the HEADWAY GIPPSLAND INC financial position as at 30th June 2023 and of its financial performance and its cash flows for the year then ended on that date and complies with Australian accounting standards to the extent described in the financial reports.

Basis of accounting and restriction on distribution

Without modifying our opinion, we draw attention to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the members financial reporting responsibilities under the constitution and the *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose.

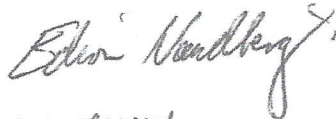
GIPPSLAND ACCOUNTING & FINANCIAL SERVICES

Certified Practising Accountants



JOHN MECKLENBURGH CPA

10 October 2023



CHAIRPERSON

HEADWAY GIPPSLAND INC.

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Not-For-Profit - Association Report

Headway Gippsland Inc
ABN 16 523 652 920
As at 30 June 2023

Prepared by Gippsland Accounting Solutions Pty Ltd

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Assets and Liabilities Statement

Headway Gippsland Inc As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
Assets			
Current Assets			
Cash and Cash Equivalents		826,625	838,214
Trade and Other Receivables	3	193,947	214,126
NDIS Expense Clearing Account		(35,465)	(339,090)
GST Receivable		-	16,967
Other Current Assets			
Rental Bonds		6,604	6,499
Investments:Bendigo Term Deposit		2,011,673	2,006,966
Investments:Share Investments		500	500
Total Other Current Assets		2,018,777	2,013,966
Total Current Assets		3,003,884	2,744,183
Non-Current Assets			
Plant and Equipment and Vehicles	5	64,072	96,854
Land and Buildings		548,800	548,800
Other Non-Current Assets		268	24,037
Total Non-Current Assets		613,140	669,691
Total Assets		3,617,025	3,413,874
Liabilities			
Current Liabilities			
Trade and Other Payables	6	60,714	25,348
GST Payable		221	-
Deferred Income	7	-	33,547
Provisions	8	205,677	228,508
Employee Entitlements	9	13,888	72,996
Total Current Liabilities		280,500	360,399
Other Current Liabilities			
Rounding		-	-
Total Other Current Liabilities		-	-
Total Liabilities		280,500	360,398
Net Assets		3,336,524	3,053,476
Member's Funds			
Capital Reserve			
Current Year Earnings		283,048	58,018
Retained Earnings		2,401,807	2,343,789

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

	NOTES	30 JUN 2023	30 JUN 2022
Asset Revaluation Reserve		651,669	651,669
Total Capital Reserve		3,336,524	3,053,476
Total Member's Funds		3,336,524	3,053,476

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Income and Expenditure Statement

Headway Gippsland Inc

For the year ended 30 June 2023

	2023	2022
Income		
Income		
NDIS Funding	4,788,287	4,516,728
Client Contributions	8,650	7,748
Other Income	12,792	30,775
Profit on Sale of Motor Vehicle and Equip	-	31,866
NDIS Extra Payments COVID and PM	96,984	-
Other Funding Workcover Reimb	57,399	64,159
Write off unreclaimed grant monies 2019/20	33,547	-
Wage Subsidy Admin Staff	1,818	-
Total Income	4,999,477	4,651,274
Total Income	4,999,477	4,651,274
Gross Surplus	4,999,477	4,651,274
Expenditure		
Accounting/Bookkeeping	27,200	27,024
Advertising & Marketing	1,600	-
Auditors	4,150	3,100
Bank Fees & Charges	4,571	3,974
Client Services	13,758	7,901
Consultants	17,113	51,007
Depreciation	35,300	49,335
Gifts & Donations	1,000	-
Governance Expenses	4,253	6,579
Insurance	31,169	29,531
Lease Costs	(416)	787
Legal Services	-	1,365
Maintenance & Repairs	79,251	84,214
Motor Vehicles	13,752	10,107
Office Supplies and Postage	16,240	17,301
Rent	79,517	87,620
Salary & Wages	4,043,135	3,904,417
Telephone	24,454	29,109
Travel	295,501	262,852
Utilities	16,500	17,034
Salaries & Wages Overheads CEO Conferences	8,380	-
Total Expenditure	4,716,429	4,593,257

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.



	2023	2022
Current Year Surplus/ (Deficit) Before Income Tax Adjustments	283,048	58,018
Current Year Surplus/(Deficit) Before Income Tax	283,048	58,018
Net Current Year Surplus After Income Tax	283,048	58,018

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Depreciation Schedule

Headway Gippsland Inc

For the year ended 30 June 2023

COST ACCOUNT	NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Plant & Equipment:Furniture & Equipment:Motor Vehicles at Cost			223,462	41,908	2,518	-	21,563	22,862
Plant & Equipment:Motor Vehicles:Motor Vehicles at Cost			107,171	54,946	-	-	13,737	41,210
Total			330,632	96,854	2,518	-	35,300	64,072

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Notes to the Financial Statements

Headway Gipp For the year ended 30 June 2023

1. Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Victoria. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

Employee Provisions

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 provisions have been measured at the amounts expected to be paid when the liability is settled.

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash on Hand

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

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. 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.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

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 (ATO). 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 ATO is included with other receivables or payables in the assets and liabilities statement.

Financial Assets

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Write off of Unclaimed Grant Monies

During the 2023 it was decided to remove the liability, Unclaimed Grant Monies from 2019/2020, as the required time has passed for them to be recalled.

	2023	2022
2. Cash on Hand		
Bank Acc Bendigo:BB General Cash Investment	532	529
Bank Acc Bendigo:BB Gift Fund Cash Investment	503,931	311,484
Bank Acc Bendigo:BB Mastercard Account	1,846	2,895
Bank Acc Bendigo:BB Operations	311,885	511,551
Petty Cash	1,878	634
SSG Funds	6,553	11,121
Total Cash on Hand	826,625	838,214
	2023	2022

3. Trade and Other Receivables

	2023	2022
Trade Receivables		
Accounts Receivable	14,362	36,552
NDIS Debtor Unbilled	179,585	177,573
Total Trade Receivables	193,947	214,126
Total Trade and Other Receivables	193,947	214,126
	2023	2022

4. Land and Buildings

	2023	2022
Buildings		
Buildings at Cost	548,800	548,800
Total Buildings	548,800	548,800
Total Land and Buildings	548,800	548,800
	2023	2022

5. Plant and Equipment, Motor Vehicles

	2023	2022
Plant and Equipment		
Plant and Equipment at Cost	223,462	220,944
Accumulated Depreciation of Plant and Equipment	(200,599)	(179,036)
Total Plant and Equipment	22,862	41,908
Motor Vehicles		
Motor Vehicles at Cost	107,171	107,171
Accumulated Depreciation of Motor Vehicles	(65,961)	(52,224)
Total Motor Vehicles	41,210	54,946
Total Plant and Equipment, Motor Vehicles	64,072	96,854
	2023	2022

6. Trade and Other Payables

	2023	2022
Trade Payables		

These notes should be read in conjunction with the attached compilation report.

Accounts Payable	60,714	25,348
Total Trade Payables	60,714	25,348
Total Trade and Other Payables	60,714	25,348
	2023	2022

7. Deferred Income

Deferred Income Government Grants		
Govt Monies Unspent: COS Monies 19 20	-	33,547
Total Deferred Income Government Grants	-	33,547
Total Deferred Income	-	33,547
	2023	2022

8. Provisions

Provisions:Provision for Annual Leave	170,687	195,983
Provisions:Provision for LSL	10,770	8,829
Provisions:Provision for Personal Leave	24,220	23,696
Total Provisions	205,677	228,508
	2023	2022

9. Employee Entitlements

Payroll Liabilities.:Payroll Liabilities PAYG	-	72,996
Payroll Liabilities.:Superannuation Liability	13,888	-
Total Employee Entitlements	13,888	72,996

These notes should be read in conjunction with the attached compilation report.

Movements in Equity

Headway Gippsland Inc
For the year ended 30 June 2023

	2023	2022
Equity		
Opening Balance	3,053,476	2,995,458
Increases		
Profit for the Period	283,048	58,018
Total Increases	283,048	58,018
Total Equity	3,336,524	3,053,476

Statement of Cash Flows - Direct Method

Headway Gippsland Inc
For the year ended 30 June 2023

	2023	2022
Operating Activities		
Payments to suppliers and employees	(4,286,592)	(4,099,424)
Finance costs	(4,991)	(4,334)
GST	40,936	31,685
Cash receipts from other operating activities	5,022,219	4,618,492
Cash payments from other operating activities	(428,136)	(458,114)
Net Cash Flows from Operating Activities	343,436	88,306
Investing Activities		
Proceeds from sale of property, plant and equipment	-	8,670
Payment for property, plant and equipment	(2,518)	(16,552)
Payment for investments	(4,707)	(506,966)
Other cash items from investing activities	(103,261)	69,426
Net Cash Flows from Investing Activities	(110,486)	(445,422)
Financing Activities		
Other cash items from financing activities	(244,538)	266,321
Net Cash Flows from Financing Activities	(244,538)	266,321
Net Cash Flows	(11,589)	(90,796)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	838,214	929,010
Net change in cash for period	(11,589)	(90,796)
Cash and cash equivalents at end of period	826,625	838,214