

23 September, 2024



HEADWAY GIPPSLAND INC  
30 Monash Road  
NEWBOROUGH VIC 3825

**MANAGEMENT LETTER – HEADWAY GIPPSLAND INC**

**Dear Phil & Leisa,**

We wish to advise that the audit of the above Incorporation for the year ended 30 June 2024 has recently been completed.

Auditors are encouraged to issue a management letter at the completion of each organisation audit, as a means to advise the members of any matters noted during the course of the audit.

Our audit work involves the review of only those systems and controls adopted by the managing members, upon which we rely for the purposes of determining our audit procedures. Accordingly, our examination may not have identified all the control weaknesses that may exist. Furthermore, our audit should not be relied on to disclose errors or other similar irregularities, although their disclosure, if they exist, may well result from the audit tests we undertake.

We advise there are no matters to be reported at the time.

**RETENTION OF RECORDS**

We wish to confirm with you that accounting records of the Incorporation have to be kept for at least 5 years and Members Minutes should be kept for at least 10 years.

**ANNUAL GENERAL MEETING**

The Annual General Meeting needs to adopt the Financial Reports for the period ended 30 June 2024. The Annual Return should then be lodged.

Should you have any queries then please contact the office on 03 5622 1947 or email [reception@gafs.com.au](mailto:reception@gafs.com.au).

Kind regards,

A handwritten signature in blue ink, appearing to be "JMA", is written over a faint blue circular stamp.

**John Mecklenburgh**

SMSF Auditor | CPA | Registered Tax Agent

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To the Committee Members of

**HEADWAY GIPPSLAND INC**

***Opinion***

We have audited the financial report of HEADWAY GIPPSLAND INC (the Entity), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2024, and (of) its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the applicable legislation.

***Basis for opinion***

We conducted our audit in accordance with Australian Auditing Standards. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

***Responsibilities of management and those charged with governance for the financial report***

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the 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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

***Auditor's responsibilities for the audit of the financial report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Kind regards,



**John Mecklenburgh**

SMSF Auditor | CPA | Registered Tax Agent

23 September, 2024

Income and Expenditure Statement 4  
Statement of Financial Position 5  
Statement of Financial Movements 7  
Statement of Cash Flows - Direct Method 11

# Not-For-Profit - Association Report

Headway Gippsland Inc  
ABN 16 523 652 920  
As at 30 June 2024

Prepared by Gippsland Accounting Solutions Pty Ltd

## Contents

3	Assets and Liabilities Statement
4	Income and Expenditure Statement
6	Depreciation Schedule
7	Notes to the Financial Statements
11	Movements in Equity
12	Statement of Cash Flows - Direct Method

# Assets and Liabilities Statement

## Headway Gippsland Inc As at 30 June 2024

	NOTES	30 JUNE 2024	30 JUNE 2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	2	658,992	826,625
Trade and Other Receivables	3	171,816	193,947
NDIS Expense Clearing Account		(174,693)	(35,465)
GST Receivable		2,400	-
<b>Other Current Assets</b>			
Rental Bonds		6,604	6,604
Investments:Bendigo Term Deposit		2,431,085	2,011,673
Investments:Share Investments		500	500
<b>Total Other Current Assets</b>		<b>2,438,189</b>	<b>2,018,777</b>
<b>Total Current Assets</b>		<b>3,096,704</b>	<b>3,003,884</b>
<b>Non-Current Assets</b>			
Plant and Equipment and Vehicles	5	46,073	64,072
Land and Buildings	4	754,000	548,800
Other Non-Current Assets		24,643	268
<b>Total Non-Current Assets</b>		<b>824,716</b>	<b>613,140</b>
<b>Total Assets</b>		<b>3,921,420</b>	<b>3,617,025</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	6	74,343	60,714
GST Payable		-	221
Provisions	7	199,785	205,677
Employee Entitlements	8	28,528	13,888
<b>Total Current Liabilities</b>		<b>302,655</b>	<b>280,500</b>
<b>Total Liabilities</b>		<b>302,655</b>	<b>280,500</b>
<b>Net Assets</b>		<b>3,618,765</b>	<b>3,336,524</b>
<b>Member's Funds</b>			
<b>Capital Reserve</b>			
Current Year Earnings		77,041	283,048
Retained Earnings		2,684,855	2,401,807
Asset Revaluation Reserve		856,869	651,669
<b>Total Capital Reserve</b>		<b>3,618,765</b>	<b>3,336,524</b>
<b>Total Member's Funds</b>		<b>3,618,765</b>	<b>3,336,524</b>

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 2024

	2024	2023
<b>Income</b>		
<b>Income</b>		
NDIS Funding	4,757,704	4,788,287
Client Contributions	8,002	8,650
Other Income	128,109	12,792
Profit on Sale of Motor Vehicle and Equip	1,837	-
NDIS Extra Payments COVID and PM	-	96,984
Other Funding Workcover Reimb	-	57,399
Write off unreclaimed grant monies 2019/20	-	33,547
Wage Subsidy Admin Staff	2,727	1,818
Other Income - Community Based Practice Program	500	-
<b>Total Income</b>	<b>4,898,878</b>	<b>4,999,477</b>
<b>Total Income</b>	<b>4,898,878</b>	<b>4,999,477</b>
<b>Gross Surplus</b>	<b>4,898,878</b>	<b>4,999,477</b>
<b>Expenditure</b>		
Accounting/Bookkeeping	27,440	27,200
Advertising & Marketing	1,064	1,600
Auditors	3,600	4,150
Bank Fees & Charges	5,188	4,571
Client Services	10,586	13,758
Consultants	13,334	17,113
Depreciation	17,835	35,300
Gifts & Donations	-	1,000
Governance Expenses	7,812	4,253
Insurance	32,940	31,169
Lease Costs	-	(416)
Legal Services	720	-
Maintenance & Repairs	85,848	79,251
Motor Vehicles	9,313	13,752
Recovery of unspent 2019/20 'CoS Program'	33,547	-
Office Supplies and Postage	12,396	16,240
Rent	81,485	79,517
Salary & Wages	4,154,098	4,051,515
Telephone	22,300	24,454
Travel	283,835	295,501
Utilities	18,496	16,500
<b>Total Expenditure</b>	<b>4,821,838</b>	<b>4,716,429</b>

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



2024 2023

<b>Current Year Surplus/ (Deficit) Before Income Tax Adjustments</b>	<b>77,041</b>	<b>283,048</b>
<b>Current Year Surplus/(Deficit) Before Income Tax</b>	<b>77,041</b>	<b>283,048</b>
<b>Net Current Year Surplus After Income Tax</b>	<b>77,041</b>	<b>283,048</b>

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 2024

COST ACCOUNT	NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Plant & Equipment:Furniture & Equipment	Furniture & Equipment at Cost		223,462	22,862	-	163	7,533	15,166
Plant & Equipment:Motor Vehicles	Motor Vehicles at Cost		107,171	41,210	-	-	10,302	30,907
<b>Total</b>			<b>330,632</b>	<b>64,072</b>	<b>-</b>	<b>163</b>	<b>17,835</b>	<b>46,073</b>

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 Gippsland Inc For the year ended 30 June 2024

### 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 2024, Headway Gippsland Inc was required to pay back the grant monies previously declared as income. This has been claimed as an expense in the 2024 Financial Year.

	2024	2023
<b>2. Cash on Hand</b>		
Bank Acc Bendigo:BB General Cash Investment	537	532
Bank Acc Bendigo:BB Gift Fund Cash Investment	338,265	503,931
Bank Acc Bendigo:BB Mastercard Account	2,448	1,846
Bank Acc Bendigo:BB Operations	308,538	311,885
Petty Cash	947	1,878
SSG Funds	8,258	6,553
<b>Total Cash on Hand</b>	<b>658,992</b>	<b>826,625</b>

### 3. Trade and Other Receivables

	2024	2023
<b>Trade Receivables</b>		
Accounts Receivable	69,631	14,362
NDIS Debtor Unbilled	102,185	179,585
<b>Total Trade Receivables</b>	<b>171,816</b>	<b>193,947</b>
<b>Total Trade and Other Receivables</b>	<b>171,816</b>	<b>193,947</b>

### 4. Land and Buildings

	2024	2023
<b>Buildings</b>		
Buildings at Cost	754,000	548,800
<b>Total Buildings</b>	<b>754,000</b>	<b>548,800</b>
<b>Total Land and Buildings</b>	<b>754,000</b>	<b>548,800</b>

### 5. Plant and Equipment, Motor Vehicles

	2024	2023
<b>Plant and Equipment</b>		
Plant and Equipment at Cost	219,246	223,462
Accumulated Depreciation of Plant and Equipment	(204,080)	(200,599)
<b>Total Plant and Equipment</b>	<b>15,166</b>	<b>22,862</b>
<b>Motor Vehicles</b>		
Motor Vehicles at Cost	107,171	107,171
Accumulated Depreciation of Motor Vehicles	(76,263)	(65,961)
<b>Total Motor Vehicles</b>	<b>30,907</b>	<b>41,210</b>
<b>Total Plant and Equipment, Motor Vehicles</b>	<b>46,073</b>	<b>64,072</b>

### 6. Trade and Other Payables

#### Trade Payables

Accounts Payable	74,343	60,714
<b>Total Trade Payables</b>	<b>74,343</b>	<b>60,714</b>
<b>Total Trade and Other Payables</b>	<b>74,343</b>	<b>60,714</b>
	2024	2023

### 7. Provisions

Provisions:Provision for Annual Leave	176,305	170,687
Provisions:Provision for LSL	14,653	10,770
Provisions:Provision for Personal Leave	8,826	24,220
<b>Total Provisions</b>	<b>199,785</b>	<b>205,677</b>
	2024	2023

### 8. Employee Entitlements

Payroll Liabilities.:Superannuation Liability	28,528	13,888
<b>Total Employee Entitlements</b>	<b>28,528</b>	<b>13,888</b>

## Movements in Equity

### Headway Gippsland Inc For the year ended 30 June 2024

	2024	2023
<b>Equity</b>		
Opening Balance	3,336,524	3,053,476
<b>Increases</b>		
Profit for the Period	77,041	283,048
Asset Revaluation Reserve	205,200	-
<b>Total Increases</b>	<b>282,241</b>	<b>283,048</b>
<b>Total Equity</b>	<b>3,618,765</b>	<b>3,336,524</b>

# Statement of Cash Flows - Direct Method

Headway Gippsland Inc  
For the year ended 30 June 2024

	2024	2023
<b>Operating Activities</b>		
Payments to suppliers and employees	(4,420,591)	(4,286,592)
Finance costs	(5,652)	(4,991)
GST	21,221	40,936
Cash receipts from other operating activities	4,842,941	5,022,219
Cash payments from other operating activities	(408,872)	(428,136)
<b>Net Cash Flows from Operating Activities</b>	<b>29,047</b>	<b>343,436</b>
<b>Investing Activities</b>		
Proceeds from sale of property, plant and equipment	2,000	-
Payment for property, plant and equipment	(205,200)	(2,518)
Payment for investments	(419,412)	(4,707)
Other cash items from investing activities	77,120	(103,261)
<b>Net Cash Flows from Investing Activities</b>	<b>(545,492)</b>	<b>(110,486)</b>
<b>Financing Activities</b>		
Other cash items from financing activities	348,811	(244,538)
<b>Net Cash Flows from Financing Activities</b>	<b>348,811</b>	<b>(244,538)</b>
<b>Net Cash Flows</b>	<b>(167,634)</b>	<b>(11,589)</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	826,625	838,214
Net change in cash for period	(167,634)	(11,589)
Cash and cash equivalents at end of period	658,992	826,625