

Mallee Accommodation and Support Program Limited

ACN : 606 779 873

General Purpose Financial Report for the year ended 30 June 2019

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Mallee Accommodation and Support Program Limited

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Directors' Report for the year ended 30 June 2019

Your directors present this report on the company for the financial year ended 30 June 2019.

Director Details

The names of each person who has been a director during the year and to the date of this report are:

Caroline Margaret Smith	Katherine Crouch
Cheree Jukes (resigned 29/11/18)	Mark Haynes (resigned 27/11/18)
Chris Casey (resigned 31/10/18)	Mary Rydberg (appointed 21/11/18)
Emily Walshaw (appointed 30/01/19)	Simon Fewings (appointed 21/11/18)
Glenn Stuart Milne	Tina Smyth (appointed 21/11/18)
Gregory Jame Leslie (resigned 21/11/18)	Tristram Lock (appointed 28/08/19)
Gregory Noel Schultz	

Principal Activities

The principal activity of the organisation during the financial year was the provision of assistance and support to young people, adults, and families in need through a wide range of related support services.

Short-term Objectives

The organisation's short-term objectives are :

- to facilitate the availability of appropriate and affordable accommodation options for people experiencing homelessness or housing related crisis;
- to provide affordable rental housing to people on low incomes;
- to address the direct relief of such poverty, sickness, suffering, distress, misfortune, disability, destitution, or helplessness as arouses compassion in the local community of Mildura and the surrounding catchment area; and
- to achieve the goals outlined in the MASP Strategic Plan 2019-22.

Long-term Objectives

The organisation's long-term objectives are :

- develop and deliver innovative solutions for communities to access safe secure housing and aligned services;
- empower our community to be free from homelessness, abuse, poverty and disadvantage to lead safe, secure, healthy and fulfilling lives;
- establish relationships with appropriate persons to ensure MASP is considered at a policy and decision making level; and
- to monitor and endeavour to meet deficiencies in the welfare services of the Community.

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Strategy for Achieving Short and Long-term Objectives

The MASP Strategic Plan outlines a comprehensive strategic framework which guides the organisation's core objectives, principles and priorities and underpins all other business and program planning processes.

To achieve its objectives, MASP has adopted the following strategies:

- Sustainability - create an appropriate organisational and service model to ensure a sustainable future for the organisation and our clients.
- Innovation - develop innovative practices to ensure future planning is representative of our clients' needs.
- Professionalism - foster a professional approach within the organisation and with those with whom we work.
- Excellence - create a culture of excellence at an organisation, local, state and federal level.

Performance Measures

The company measures its performance on the achievement of targets for delivery of services.

Information on Directors

Name:	Caroline Margaret Smith (Chair)
Title:	Director since 2014. Board Chair since 2018.
Qualifications:	Bachelor of Business with a major in Accounting and a minor in Human Resource Management. Full member of CPA Australia, and certificated member of the Governance Institute of Australia.
Expertise:	Finance and Accounting
Board Committee(s):	Finance, Building Projects
Experience:	Caroline has 21 years experience as an accountant and has been employed in the Business Services, Horticultural, Aboriginal Health and Education Industries.
Name:	Cheree Jukes (resigned 29/11/18)
Title:	Director since 2016.
Qualifications:	Registered Nurse and Midwife, Masters of Public Health
Expertise:	Public Health and Collaborative Partnerships
Board Committee(s):	Clinical Governance
Experience:	Cheree is the Manager of Community Care Services at Mildura Rural City Council. Previously worked as Executive Officer of the Northern Mallee Community Partnership and Backbone lead for Hands Up Mallee, a collective Impact Initiative working to build 'a connected community where families matter and children thrive'. Cheree also worked for 13 years in the acute health sector as a clinician, educator and senior health manager.

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Name:	Chris Casey (resigned 31/10/2018)
Title:	Director November 2017 - 2018
Qualifications:	Admitted to practice as a Lawyer in 2002
Expertise:	Legal
Board Committee(s):	Clinical Governance
Experience:	Chris was the Principal of Medina Legal in Mildura. Chris has extensive legal experience over the past 16 years in both Melbourne and Regional Victoria, in a wide variety of areas of law, including public policy and legislative advocacy.
Name:	Emily Walshaw (appointed 30/01/19)
Title:	Director since 2019
Qualifications:	Certificate of Governance Practice, Diploma in Business, Diploma in Management.
Expertise:	Governance and Risk
Board Committee(s):	Nil
Experience:	Emily has over 12 years' experience in corporate administration, risk, governance and compliance in public and not-for-profit tertiary health and public education sectors across a number of states and territories and overseas.
Name:	Glenn Stuart Milne
Title:	Director since 2012.
Qualifications:	Diploma of Business in Community Services and Health Management, an Associate Diploma in Welfare Studies, is a Graduate of the Institute of Company Directors and is a Life Member of MASP
Expertise:	Local Government and Community Service
Board Committee(s):	Capital Assets Planning, Clinical Governance, Building Project Control Group
Experience:	Currently serving his fourteenth year as a Mildura Rural City Council Councillor, including 7 terms as Mayor.
Name:	Gregory James Leslie (resigned 21/11/18)
Title:	Director 2009 to 2018
Qualifications:	Graduate member of the Australian Institute of Company Directors (GAICD)
Expertise:	Business and Management
Board Committee(s):	Finance, Capital Assets Planning, Clinical Governance, Building Project Control Group.
Experience:	Greg Leslie joined the MASP board in 2009 after having participated in the Kokoda Youth Mentoring Program. Greg brings to the MASP board a range of business skills developed in his management roles spanning his professional career in Marketing, Tourism, Hospitality and Education.

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Name: Gregory Noel Schultz
Title: Director since 2012
Qualifications: Completed training with the Australian Institute of Company Directors
Expertise: Business and Management
Board Committee(s): Finance, Capital Assets Planning and Building Project Control Group
Experience: Greg is the Sales Manager for Telstra Business in Western Victoria and has been in the telecommunications game for over 25 years. Greg is involved in a number of other committees in the community including the Blue Ribbon Foundation and the Telstra Advisory Board for Western Victoria, along with his involvement with sporting clubs and Associations.

Name: Katherine Crouch
Title: Director since 2013
Qualifications: BA in Psychology, Post Graduate Diploma in Adult Education, Masters of Training and Development, Certificate of Applied Behavioural Analysis, Post Graduate Certificate in Forensic Mental Health, Advanced Diploma of Management and Leadership and Graduate of the inaugural Diploma of Therapeutic Life Story Work.
Expertise: Child, Youth and Family Service
Board Committee(s): Capital Assets Planning and Clinical Governance
Experience: Previous experience in managing Child and Youth Mental Health Services until April 2015 before commencing with MDAS as Lead Practitioner, supporting staff, families and community, providing trauma informed supports across the early years of life. Wealth of knowledge from child, youth and family psychiatry, systemic and strategic learning and community intervention and development and works alongside many social and health services in our region.

Name: Mark Haynes (resigned 27/11/18)
Title: Director November 2017 - 2018
Qualifications: Diploma of Graphic Design, Diploma of Education
Expertise: Marketing
Board Committee(s): Capital Assets
Experience: Mark is the Creative Director at Haynes Design and Founder and Chair of Cultivator Inc. With over 20 years of experience, Mark has created successful design solutions to achieve results for many businesses beyond the value of their investment. Mark has established a design studio that services varied and ongoing clientele in Private and Government Corporations, Tourism, Wine, Manufacturing, Produce Exporters, Transport Logistics, Health Sport and Retail businesses.

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Directors' Report for the year ended 30 June 2019

Name: Mary Rydberg (appointed 21/11/18)
Title: Director since 2018, Co- Deputy Chair
Qualifications: Graduate Diploma of Business, Graduate Member of the Australian Institute of Company Directors, Member of Women on Boards
Expertise: Governance and Business Management
Board Committee(s): Clinical Governance
Experience: Mary is semi-retired leader with experience within the health and community services sectors in Victoria. Her roles have been within the State government, hospital, not-for-profit sector and local government.

Name: Simon Fewings (appointed 21/11/18)
Title: Director since 2018
Qualifications: Diploma in Community Services/Community Development, Advanced Diploma in Business Management and Leadership and Cert IV in Training & Assessing.
Expertise: Education, Government Policy Frameworks
Board Committee(s): Capital Assets Planning
Experience: Simon is the Manager Koorie Training at SunTAFE and holds strong interests in community development and community-controlled learning. Simon has a long history of volunteering his time with local and state organisations.

Name: Tina Smyth (appointed 21/11/18)
Title: Director since 2018
Qualifications: Diplomas in Business Administration, Accounting, Occupational Health and Safety and Human Resources and is a qualified quality auditor.
Expertise: Business Management and Human Resources
Board Committee(s): Finance
Experience: Tina has a strong interest in community wellbeing, health and support and has extensive experience in Business Management

Name: Tristram Lock (appointed 28/08/19)
Title: Director since 2019
Qualifications: Bachelor of Laws from Waikato University (NZ) and Master in Laws from University of Amsterdam (NL).
Expertise: Legal
Board Committee(s): Clinical Governance
Experience: Tristram is a Principal solicitor with Mildura law firm Holcroft Lawyers. Tristram has worked in the legal services industry in both Australia and New Zealand for over 10 years and, in his early career, served as legal representative for the child.

Company Secretary

Gary Simpson was appointed company secretary on the 23rd February 2017 and has been MASP CEO since 1st February 2017.

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Directors' Report for the year ended 30 June 2019

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Board		Finance		Clinical Governance		Capital Assets		Building Project	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Caroline Smith	11	10	11	11	-	-	-	-	10	10
Cheree Jukes	5	5	-	-	5	5	-	-	-	-
Chris Casey	4	2	-	-	3	2	-	-	-	-
Emily Welshaw	5	5	-	-	-	-	-	-	-	-
Gregory Leslie	4	4	4	4	5	5	2	1	3	3
Gregory Schultz	11	9	11	7	-	-	-	-	10	6
Glenn Milne	11	5	-	-	-	-	5	4	-	-
Katherine Crouch	11	6	-	-	12	11	5	3	10	5
Mark Haynes	4	2	-	-	-	-	2	1	3	1
Mary Rydberg	7	6	-	-	7	6	-	-	-	-
Simon Fewings	8	6	-	-	-	-	3	1	7	3
Tina Smyth	7	7	7	7	-	-	-	-	-	-
Tristram Lock	-	-	-	-	-	-	-	-	-	-

Contribution in Winding Up

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity.

At 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$30.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



Greg Schultz

Director

Dated at Mildura 30 October 2019



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Mallee Accommodation and Support Program Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

JOHN FINDLAY
Partner

Ballarat, Victoria

Dated this 30th day of October 2019

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Liability limited by a scheme approved under Professional Standards Legislation

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Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	3	11,208,409	9,330,117
Expenses			
Employee benefits expense	12	(7,721,926)	(6,852,695)
Depreciation expense	10	(261,416)	(239,670)
Administration expense		(863,128)	(772,213)
Service delivery expense		(1,202,256)	(927,132)
Consulting fees		(14,711)	(32,715)
(Loss)/profit on sale of property, plant and equipment		(58,070)	2,324
Impairment of held for sale assets		(104,600)	-
Finance expenses		(10,720)	-
Other expenses		(24,093)	(32,016)
Operating Surplus Before Income Tax		947,489	476,000
Income tax expense		-	-
Operating Surplus After Income Tax		947,489	476,000
Other Non Operating Income			
Capital grants	10	1,465,334	63,300
Surplus For The Year		2,412,823	539,300
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
• Revaluation of land and buildings, net of income tax		(445,881)	360,355
Total Comprehensive Income For the Year		1,966,942	899,655

This statement should be read in conjunction with the accompanying notes.

Mallee Accommodation and Support Program Limited

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Statement of Financial Position as at 30 June 2019

	Note	2019 \$	2018 \$
Assets			
Current Assets			
Cash and cash equivalents	5	2,265,088	3,575,611
Financial assets	6	179,805	110,000
Trade and other receivables	7	224,930	93,866
Assets held for sale	8	1,205,400	-
Other current assets	9	95,029	90,119
Total Current Assets		3,970,252	3,869,596
Non-Current Assets			
Property, plant and equipment	10	8,936,133	6,206,563
Total Non-Current Assets		8,936,133	6,206,563
Total Assets		12,906,385	10,076,159
Liabilities			
Current Liabilities			
Trade and other payables	11	848,027	712,422
Employee benefit liabilities	12	856,102	703,736
Other liabilities	13	1,046,324	819,152
Borrowings	14	62,700	-
Total Current Liabilities		2,813,153	2,235,310
Non-Current Liabilities			
Employee benefit liabilities	12	214,220	193,135
Borrowings	14	264,356	-
Total Non-Current Liabilities		478,576	193,135
Total Liabilities		3,291,729	2,428,445
Net Assets		9,614,656	7,647,714
Equity			
Reserves		747,959	1,193,840
Retained surplus		8,866,697	6,453,874
Total Equity		9,614,656	7,647,714

This statement should be read in conjunction with the accompanying notes.

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Statement of Changes In Equity for the year ended 30 June 2019

	Retained Surplus \$	Reserves \$	Total \$
Balance at 1 July 2017	5,914,574	833,485	6,748,059
Surplus for the year	539,300	-	539,300
Revaluation of land and buildings, net of tax	-	360,355	360,355
Balance at 30 June 2018	6,453,874	1,193,840	7,647,714
Balance at 1 July 2018	6,453,874	1,193,840	7,647,714
Surplus for the year	2,412,823	-	2,412,823
Revaluation of land and buildings, net of tax	-	(445,881)	(445,881)
Balance at 30 June 2019	8,866,697	747,959	9,614,656

This statement should be read in conjunction with the accompanying notes.

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Statement of Cash Flows for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash Flows From Operating Activities			
Receipts from customers (including GST)		13,986,311	10,281,361
Payments to clients, suppliers and employees (including GST)		(10,759,385)	(9,262,380)
Interest received		20,956	22,328
Interest paid		(10,720)	-
Net Cash Provided By Operating Activities	15	3,237,162	1,041,309
Cash Flows From Investing Activities			
Proceeds from sale of plant and equipment		186,729	82,500
Acquisition of property, plant and equipment		(4,639,766)	(878,442)
Purchase of short term investments		(69,805)	(110,000)
Net Cash (Used in) Investing Activities		(4,522,842)	(905,942)
Cash Flows From Financing Activities			
Proceeds from loans		10	-
Repayment of finance leases		(24,853)	-
Net Cash Provided By Financing Activities		(24,843)	-
Net Increase in Cash Held		(1,310,523)	135,367
Cash and Cash Equivalents at Beginning of Financial Year		3,575,611	3,440,244
Cash and Cash Equivalents at End of Financial Year	5	2,265,088	3,575,611

This statement should be read in conjunction with the accompanying notes.

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Notes to the Financial Statements for the year ended 30 June 2019

1 Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or Amended Accounting Standards and Interpretations Adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 9 Financial Instruments

The company has adopted AASB 9 from 1 July 2018.

The standard introduced new classification and measurement models for financial assets.

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption

AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2018.

The table below illustrates the classification and measurement of financial assets under AASB 9 and AASB 139 at the date of initial application. There were no changes to the classification of financial liabilities. The carrying amount of these financial assets are the same under AASB 9 as they were under AASB 139.

Financial asset	AASB 139	AASB 9
Cash at bank	Loans and receivables	Amortised cost
Trade and other receivables	Loans and receivables	Amortised cost
Term deposits	Held to maturity	Amortised cost

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Notes to the Financial Statements for the year ended 30 June 2019

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) as appropriate for not-for-profit oriented entities.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue Recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The company recognises revenue as follows:

Grants

The Company's programs are supported by grants received from the federal, state and local governments.

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Sales and Services Revenue

Sales and services revenue is recognised when received or receivable.

Fundraising

Fundraising such as donations are recognised at the time the pledge is made

Interest Income

Interest revenue 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.

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

Income Tax

As the company is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax. The company holds deductible gift recipient status.

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Notes to the Financial Statements for the year ended 30 June 2019

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 in other receivables or other 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and Other Receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Other Assets

Other assets include prepayments and inventory.

Prepayments are payments in advance of receipt of goods or services, or the payments made for services covering a term extending beyond that financial accounting period.

Inventory is stated at the lower of cost and net realisable value.

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Notes to the Financial Statements for the year ended 30 June 2019

Property, Plant and Equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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

	Useful life
• Buildings	40 years
• Plant and Equipment	5 years
• Furniture and Fittings	5 years
• Motor Vehicles	4 - 5 years
• Office Equipment	4 - 8 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 company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Non-Current Assets Held For Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

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Notes to the Financial Statements for the year ended 30 June 2019

Impairment of Non-Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee Benefit Provisions

Short-term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other Long-term Employee Benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined Contribution Superannuation Expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Mallee Accommodation and Support Program Limited

ACN : 606 779 873

Notes to the Financial Statements for the year ended 30 June 2019

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Mallee Accommodation and Support Program Limited

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Notes to the Financial Statements for the year ended 30 June 2019

Financial Instruments

Financial Assets

Financial assets are initially recognised at fair value. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

The company only holds financial assets measured at amortised cost.

Assets measured at amortised cost are financial assets where:

- a) The business model is to hold assets and to collect contractual cash flows; and
- b) The contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial Instruments

Impairment of Financial Assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost. This assessment is derived at using both quantitative and qualitative information and analysis based on the company's historical experience and informed assessment.

Financial Liabilities

The company measures all financial liabilities initially at fair value less transactions costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.

Comparative Figures

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

New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2019. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Mallee Accommodation and Support Program Limited
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Notes to the Financial Statements
for the year ended 30 June 2019

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term.

The exceptions relate to short-term leases of 12 months or less and leases of low-value assets where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs).

In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The adoption of this standard from 1 July 2019 will have an impact on the company.

AASB 15 Revenue from Contracts with Customers

The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.

The changes in revenue recognition requirements in AASB 15 will result in changes to the timing and amount of revenue recorded in the financial statements.

AASB 1058 Income of Not-for-Profit Entities

Substantially alters the requirements of the existing AASB 1004 *Contributions* and clarifies the treatment of the receipt of income by not-for-profit entities. Income where there is an associated performance obligation should be recognised in line with the principles of AASB 15, whereas donations with no future obligation may be recognised immediately.

The changes in revenue recognition requirements in AASB 1058 will result in changes to the timing and amount of revenue recorded in the financial statements.

Mallee Accommodation and Support Program Limited

ACN : 606 779 873

Notes to the Financial Statements for the year ended 30 June 2019

2 Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of Useful Lives of Assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of Non-Financial Assets

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee Benefits Provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Mallee Accommodation and Support Program Limited

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Notes to the Financial Statements for the year ended 30 June 2019

3 Revenue

The company's revenue may be analysed for each major product and service category:

	2019	2018
Revenue	\$	\$
Operating grants	10,152,205	8,540,592
Sales	306,524	280,254
Rental income	229,950	233,752
Service income	434,247	164,099
Fundraising	29,176	46,163
Total	11,152,102	9,264,860
Other Revenue		
Donations	33,160	38,805
Other income	2,191	4,124
Interest income	20,956	22,328
Total	56,307	65,257
Total Revenue	11,208,409	9,330,117

4 Expenses

	2019	2018
	\$	\$
Defined contribution superannuation expense	648,996	522,551
Total	648,996	522,551

5 Current Assets - Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash on hand	1,280	1,280
Cash at bank	2,263,808	3,574,331
Total	2,265,088	3,575,611

6 Current Assets - Financial Assets

	2019	2018
	\$	\$
Term deposits	179,805	110,000
Total	179,805	110,000

7 Current Assets - Trade and Other Receivables

	2019	2018
	\$	\$
Trade receivables	224,930	93,866
Total	224,930	93,866

All of the company's trade and other receivables have been reviewed for indicators of impairment. No receivables were assessed to be impaired, therefore no allowance for expected credit losses has been made (2018: NIL).

Mallee Accommodation and Support Program Limited

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Notes to the Financial Statements for the year ended 30 June 2019

8 Current Assets - Assets Held For Sale	2019	2018
	\$	\$
Assets Held for Sale	1,205,400	-
Total	1,205,400	-

Assets held for sale comprise 3 properties at Langtree Avenue, Mildura which were on the market and for sale at balance date.

9 Current Assets - Other	2019	2018
	\$	\$
Prepayments	82,306	72,266
Materials and packaging	12,723	17,853
Total	95,029	90,119

10 Non-Current Assets - Property, Plant and Equipment	2019	2018
	\$	\$
Land - at valuation	1,475,000	2,458,000
Buildings - at valuation	6,260,000	2,463,429
Less: accumulated depreciation	-	(23,805)
Sub-Total	7,735,000	4,897,624
Plant and equipment - at cost	118,761	187,367
Less: accumulated depreciation	(68,860)	(124,514)
Sub-Total	49,901	62,853
Furniture and fittings - cost	470,251	313,144
Less: accumulated depreciation	(103,508)	(158,142)
Sub-Total	366,743	155,002
Motor vehicles - at cost	426,151	638,318
Less: accumulated depreciation	(163,048)	(210,990)
Sub-Total	257,103	427,328
Office equipment - at cost	613,110	310,364
Less: accumulated depreciation	(93,050)	(184,344)
Sub-Total	520,060	126,020
Capital works in progress	7,326	537,736
Sub-Total	7,326	537,736
Total	8,936,133	6,206,563

Mallee Accommodation and Support Program Limited

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Notes to the Financial Statements for the year ended 30 June 2019

10 Non-Current Assets - Property, Plant and Equipment (Continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land (at valuation)	Buildings (at valuation)	Plant and equipment (at cost)	Furniture and fittings (at cost)	Motor vehicles (at cost)	Office equipment (at cost)	Capital WIP (at cost)*	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance 1 July 2017	2,304,000	2,136,573	73,169	122,347	403,253	127,339	119,840	5,286,521
Additions	-	32,133	4,431	68,681	208,647	26,814	537,736	878,442
Disposals	-	-	-	(3,437)	(75,648)	-	-	(79,085)
Transfers	-	119,840	-	-	-	-	(119,840)	-
Revaluations	154,000	206,355	-	-	-	-	-	360,355
Depreciation	-	(55,277)	(14,747)	(32,589)	(108,924)	(28,133)	-	(239,670)
Balance 30 June 2018	2,458,000	2,439,624	62,853	155,002	427,328	126,020	537,736	6,206,563
Balance 1 July 2018	2,458,000	2,439,624	62,853	155,002	427,328	126,020	537,736	6,206,563
Additions	-	15,509	14,578	260,269	87,402	508,251	4,105,656	4,991,665
Disposals	-	-	(13,250)	(13,248)	(166,679)	(51,621)	-	(244,798)
Transfer to held for sale	(1,050,000)	(260,000)	-	-	-	-	-	(1,310,000)
Transfers	-	4,636,066	-	-	-	-	(4,636,066)	-
Revaluations	67,000	(517,881)	-	-	-	-	-	(445,881)
Depreciation	-	(58,318)	(14,280)	(35,280)	(90,948)	(67,590)	-	(261,416)
Balance 30 June 2019	1,475,000	6,260,000	49,901	366,743	257,103	520,060	7,326	8,936,133

Valuation

Land and buildings were valued on 18 June 2019 by independent valuers Herron Todd White (Mildura). Valuations were effective as at 30 June 2019.

(* Capital Works In Progress - Build of a Service and Community Hub

During the financial year the company had a contractual commitment dated 26 March 2018 to construct a service and community hub building, which was completed on the 14 June 2019 on receipt of the occupancy certificate.

The building of the service and community hub was made possible through a successful submission with Building Better Regions Funding (BBRF). Funding awarded under the submission was \$2.45 million which was to be matched 1 : 1 by the company. At 30 June 2019 the company had received a total of \$1,528,634 in capital grants with the balance to be received in the next financial year upon lodgement of the final milestone.

Mallee Accommodation and Support Program Limited

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Notes to the Financial Statements for the year ended 30 June 2019

11 Current Liabilities - Trade and Other Payables	2019	2018
	\$	\$
Current		
Trade creditors	279,766	294,830
Accrued expenses	120,755	251,916
GST payable	12,171	58,264
Superannuation payable	75,673	39,852
PAYG tax payable	133,072	67,560
Other payables	226,590	-
Total	848,027	712,422

All above liabilities are short-term. The carrying values are considered to be a reasonable approximation of fair value.

12 Employee Remuneration	2019	2018
	\$	\$
a) Employee Benefits Expense		
Wages and salaries	6,031,642	5,403,354
Superannuation	648,996	522,551
Employee benefit provisions	754,599	670,915
Workers compensation Insurance	246,815	185,451
Other	39,874	70,424
Total	7,721,926	6,852,695
b) Employee Benefit Liabilities		
Current		
Long service leave	261,825	236,056
Annual leave	536,246	406,554
Other leave provisions	58,031	61,126
Total	856,102	703,736
Non-Current		
Long service leave	214,220	193,135
Total	214,220	193,135

Mallee Accommodation and Support Program Limited

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Notes to the Financial Statements

for the year ended 30 June 2019

13 Current Liabilities - Other Liabilities	2019	2018
	\$	\$
Income received in advance	1,046,324	819,152
Total	1,046,324	819,152

Consists of government grants received in advance for services to be rendered by the company at a later date.

14 Borrowings	2019	2018
	\$	\$
Current		
Loan facility	10	-
Lease liability	62,690	-
Total	62,700	-
Non-Current		
Lease liability	264,356	-
Total	264,356	-

Loan Facility

The company entered into a contract on 9 October 2018 with the Commonwealth Bank to borrow \$1,900,000 secured by properties owned by the company. The loan is for a 3 year term and expires on the 28 September 2021. The loan facility was entered into to facilitate the build of the MASP Service and Community Hub. At balance date \$10 had been drawn down.

Amount used	10	-
Amount unused	1,899,990	-
Bank Loan Facility (Secured)	1,900,000	-

15 Reconciliation of Cash Flows From Operating Activities	2019	2018
	\$	\$
Cash Flows From Operating Activities		
Surplus for the year	2,412,823	539,300
Non cash flows in surplus		
Depreciation expense	261,415	239,670
Impairment of held for sale assets	104,600	-
Loss (Profit) on disposal of property, plant and equipment	58,070	(3,415)
Changes in assets and liabilities:		
(Increase) in trade and other receivables	(131,064)	(50,572)
(Increase)/decrease in other assets	(4,910)	8,662
Increase in trade and other payables	135,605	253,945
Increase in employee benefit liabilities	227,172	78,497
Increase/(decrease) in other liabilities	173,451	(24,778)
Net Cash Inflow From Operating Activities	3,237,162	1,041,309

Mallee Accommodation and Support Program Limited

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Notes to the Financial Statements for the year ended 30 June 2019

16 Financial Instruments

Foreign Currency Risk

The company is not exposed to any significant foreign currency risk.

Price Risk

The company is not exposed to any significant price risk.

Interest Rate Risk

The company is not exposed to any significant interest rate risk.

Credit Risk

The company is not exposed to any significant credit risk.

Liquidity Risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable. The company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair Value Measurement

The company measures the following assets at fair value on a reoccurring basis:

- Land and buildings
- Assets held for sale

Fair Value Hierarchy

The following tables detail the company's assets measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire value measurement, being:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date.
Level 2:	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3:	Unobservable inputs for the asset or liability.

Both land and buildings and assets held for sale are valued using level 2 inputs.

The company engages external, independent and qualified valuers to determine the fair value of the company's land and buildings at least every 3 years. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors at each reporting date.

Mallee Accommodation and Support Program Limited

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Notes to the Financial Statements for the year ended 30 June 2019

17 Auditor's Remuneration	2019	2018
	\$	\$
Amount received or due and receivable, by the current auditor for:		
Audit of the financial statements	13,000	8,750
Total	13,000	8,750

RSM Australia Partners were the external auditors during the 2019 financial year (2018: Southern Audit Pty Ltd).

18 Related Party Transactions

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

a) Detailed Transactions

Transactions with Related Parties

There were no material transactions with related parties during the current and previous financial year.

Receivable From and Payable To Related Parties

There were no material trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans To/From Related Parties

There were no loans to or from related parties at the current and previous reporting date.

b) Key Management Personnel

The company's related parties include its key management personnel who are members of the Operational Leadership Group.

	2019	2018
	\$	\$
Total key management personnel remuneration	746,689	625,002
Number of key management employees	6	5

19 Funding Obligations and Security Held

Under the funding deed agreement, the company has obligations to the Director of Housing to refund contributions towards the freehold land at 20-24 Herston Drive, Mildura should the company no longer meet the conditions of the agreement.

20 Contingent Liabilities and Contingent Assets

At balance date the company has a contingent liabilities in favour of Kids Under Cover for the grants received, amounting to \$130,000. The agreement stipulates repayment requirements, however, only if there is an event of default as listed in clause 7 of the agreement. It is not probable at year end that the events listed will occur and therefore it is recognised as a contingent liability.

Mallee Accommodation and Support Program Limited

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Notes to the Financial Statements for the year ended 30 June 2019

21 Commitments	2019 \$	2018 \$
Capital Commitments		
Property - Building of Service and Community Hub	32,199	-
Total	32,199	-

A final payment for the build of the MASP Service and Community Hub was made subsequent to the end of the financial year under the building contract.

The company had no other capital commitments at balance date.

Operating Lease Commitments

The company's future minimum operating lease payments are as follows:

Within 1 year	146,464	37,176
1 to 5 years	340,359	115,191
After 5 years	736,595	760,732
Total	1,223,418	913,099

The majority of commitments relate to College Leases of land with the Minister of Education of \$871,918 (2018 \$902,828). The improvements on the College Lease properties have been purchased by the company for use in its operations, including provision of social housing. The college leases have terms of 50 years, except for one which is 83 years, whereby the company has the right to use of the land at an annual rental over the term of the lease.

Other commitments relate to motor vehicle leases, office rentals and equipment rentals

Finance Leases - Computer Upgrade

Finance lease liability relates to assets leased as part of the computer upgrade.

Within 1 year	83,654	-
1 to 5 years	299,761	-
After 5 years	-	-
Total	383,415	-
Less finance charges	56,369	-
Total	327,046	-

Mallee Accommodation and Support Program Limited

ACN : 606 779 873

Notes to the Financial Statements for the year ended 30 June 2019

22 Events After the End of the Reporting Period

Sale of Buildings

One of the three properties held for sale at Langtree Avenue, Mildura was sold subsequent to the end of the financial year. Contract of sale was entered into on the 16th July 2019 at a value not significantly different from its carrying value in assets held for sale at the end of the financial year. Upon settlement the property will be released as security for the loan facility with the Commonwealth Bank.

Change In Loan Facility

On the 30th October 2019 the directors signed documents to reduce the loan facility with the Commonwealth Bank from \$1.9 million to \$1.52 million. The reduction was due to the sale of the Langtree Avenue property subsequent to year end no longer available as security for the loan facility.

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

23 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the company. At 30 June 2019 the number of members was 30 (2018: 29).

24 Company Details

The registered office and principal place of business of the company is:

Mallee Accommodation and Support Program Limited
118-124 Langtree Avenue
Mildura VIC 3500

Mallee Accommodation and Support Program Limited

ACN : 606 779 873

Directors' Declaration 30 June 2019

In the directors' opinion:

- the attached financial statements and notes comply with Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012*, associated regulations and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors

On behalf of the directors



Greg Schultz
Director

Dated the 30 day of October 2019
Mildura



INDEPENDENT AUDITOR'S REPORT

To the Members of Mallee Accommodation and Support Program Ltd

RSM Australia Partners

12 Anderson Street West, Ballarat VIC 3350
PO Box 685 Ballarat VIC 3353

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Opinion

We have audited the financial report of Mallee Accommodation and Support Program Ltd, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the financial report of Mallee Accommodation and Support Program Ltd has been prepared in accordance with 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 and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of 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 Mallee Accommodation and Support Program Ltd 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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Mallee Accommodation and Support Program Ltd's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Liability limited by a scheme approved under Professional Standards legislation.

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

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the 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, directors are responsible for assessing Mallee Accommodation and Support Program Ltd's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Mallee Accommodation and Support Program Ltd or to cease operations, or has no realistic alternative but to do so.

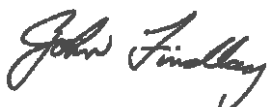
Auditor's Responsibilities for the Audit of the Financial Report

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 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/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'John Findlay', written in a cursive style.

JOHN FINDLAY
Partner

Bellarat, Victoria
Dated this 30th day of October 2019

