

**Hopefield Services Incorporated
(formerly Southern Community Welfare Inc)**

ABN 30 761 157 197

Special Purpose Financial Report

For the Year Ended 31 December 2019


2/4 Tea Gardens Avenue, Kirrawee NSW
Ph. 02 9545 0299

Hopefield Services Incorporated
Statement by Board of Management

The Committee hereby states that:

1. The financial statements and notes
 - (a) comply with the requirements of the Australian Charities and Not for Profits Commission Act 2012 and the Associations Incorporation (NSW) Act 2009; and
 - (b) give a true and fair view of the financial position as at 31st December 2019 and performance and cashflows for the year ended on that date of the association;
2. The provisions of the Charitable Fundraising Act and the conditions attached to the Authority to Fundraise have been complied with;
3. Internal Controls exercised by the Organisation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.
4. In the Committee's opinion there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-Profit Commission Regulation 2013.


.....
Committee Member **ROSS LANGFORD**
Chair


.....
Committee Member
Marc Rader

Hopefield Services Incorporated
Income Statement
For the Year Ended 31 December 2019

	2019	2018
	\$	\$
Income		
Activities and fundraising Income	48,079	42,814
Counselling and supervision fees received	117,515	113,989
Program Income	8,395	9,781
Donations and bequests received	15,931	34,356
General public fund	169,759	203,440
Interest received	1,571	1,184
Miscellaneous Income and Insurance	108	6,149
Other grants	190,978	88,247
	<u>552,336</u>	<u>499,960</u>
Total income	<u>552,336</u>	<u>499,960</u>
Expenses		
Auditors fees	1,305	988
Bank and Merchant charges	2,946	2,524
Bookkeeping	2,520	4,095
Brokerage	1,002	6,780
Community Education	303	-
Compliance costs	-	80
Consultant Fees	39,572	59,722
Cost of books sold	95	263
Counselling & Case Management Expenses	7,542	4,060
Cronulla Rent	4,862	-
Dues and subscriptions	2,060	295
Fundraising Costs	5,566	4,739
Insurances	2,193	6,566
Maintenance and cleaning	133	600
Printing, postage and stationery	1,849	2,619
Program Expenses	555	1,994
Marketing	14,221	8,129
Provision for Staff Leave	23,224	8,758
Security	538	403
Southern Grace expenses	10,959	7,911
Staffing Costs	431,053	341,475
Sundry Expenses	-	2,660
Staff Amenities	3,043	1,107
Supervision and Staff Development	639	4,382
Telecommunicatons, website etc	2,320	2,188
	<u>558,498</u>	<u>472,338</u>
Total Expenses	<u>558,498</u>	<u>472,338</u>
Net Operating Surplus/(Deficit)	(\$6,162)	\$27,622
Accumulated Funds at the beginning of the year	<u>96,477</u>	<u>68,855</u>
Accumulated Funds at the end of the year	<u><u>\$90,314</u></u>	<u><u>\$96,477</u></u>

The above Statement should be read in conjunction with the accompanying notes.

Hopefield Services Incorporated
Balance Sheet
As at 31 December 2019

		2019	2018
	Note	\$	\$
Current Assets			
Operating accounts - Baptist Financial Services Australia		283,628	236,010
Cash on Hand		100	100
Inventory		11,764	11,859
Other Receivables		426	3,560
		<u>295,918</u>	<u>251,529</u>
Non-Current Assets			
Office Equipment & Furniture - At cost	1(c)	28,865	28,865
Less Accumulated Depreciation		<u>(28,865)</u>	<u>(28,865)</u>
Total Non-current Assets		<u>-</u>	<u>-</u>
Total Assets		<u>295,918</u>	<u>251,529</u>
Current Liabilities			
Payables		10,222	8,363
Designated Grants in advance		136,482	111,268
GST Payable/ (Recoverable)		(977)	(1,653)
Provision for Annual Leave		33,651	18,317
Provision for Long Service Leave		16,070	9,632
Salary Sacrifice		2,117	2,117
PAYG Withholding Payable		5,101	4,252
Superannuation Payable		2,937	2,756
Total Liabilities		<u>205,604</u>	<u>155,052</u>
Net Assets		<u>\$ 90,314</u>	<u>\$ 96,477</u>
Accumulated Funds		<u>\$ 90,314</u>	<u>\$ 96,477</u>

This Statement is to be read in conjunction with the accompanying notes.

Hopefield Services Incorporated
Statement of Cash Flows
For the Year Ended 31 December 2019

	2019	2018
	\$	\$
Funds (used in)/from Operations		
Interest received	1,571	1,184
Donations and support	185,690	237,796
Counselling	117,515	113,989
Activities Income	56,473	52,595
Miscellaneous Income and Insurance	108	6,149
Subsidies and Grants	216,193	181,515
Payments to suppliers and staff	<u>(533,741)</u>	<u>(454,264)</u>
Net funds (used in)/ from operations	<u>43,809</u>	<u>138,964</u>
Funds from/(used in) investing activities		
Decrease/(Increase) in GST Recoverable/Payable	676	(55)
Increase in Deposits Held	-	250
(Increase)/Decrease in other receivables	<u>3,134</u>	<u>38,530</u>
	<u>3,810</u>	<u>38,725</u>
Net (decrease)/increase in cash during the year	47,618	177,688
Cash at the beginning of the year	<u>236,110</u>	<u>58,422</u>
Cash at the end of the year	<u>\$283,728</u>	<u>\$236,110</u>
Operating Surplus/(Deficit) for the year	(6,162)	27,622
Provision for Annual Leave	15,334	5,034
Provision for Long Service Leave	6,438	3,725
PAYG Withholding Payable	849	(1,428)
(Increase)/Decrease in Inventories	96	263
(Increase)/Decrease in Prepayments	-	-
Increase in Grants and Income in Advance	25,214	93,268
Increase/(Decrease) in Payables	<u>2,041</u>	<u>10,480</u>
Funds (Used in)/from operations	<u>\$43,809</u>	<u>\$138,964</u>

The above Statement is to be read in conjunction with the accompanying notes.

Hopefield Services Incorporated
Notes to and forming part of the Accounts
For the Year Ended 31 December 2019

Note 1 Significant Accounting Methods and Policies

(a) Basis of Accounting

The financial statements are a special purpose financial report that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements, the requirements of the Australian Charities and Not for Profits Commission Regulation 2013 and the requirements of the Constitution of the organisation.

The accounts have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied unless otherwise stated. The following is a summary of the significant accounting policies adopted in the preparation of the accounts.

(b) Income Tax

No income tax is payable as the entity is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997.

Hopefield Services Incorporated is approved as a DGR under category Charitable Services Institution allowing for charitable status and tax deductibility in respect of its activities in all three areas of benevolent assistance, harm prevention and health promotion. Tax deductibility is now available to donors in respect to all of Hopefield's activity and programmes.

Hopefield is registered with the Australian Charities & Not for Profits Commission.

(c) Plant and Equipment

Plant, equipment and software are brought to account at cost less any applicable and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

(d) Structure

The entity is incorporated as an Association under the NSW Associations Incorporation Act 2009.

(e) Revenue

Operating revenue includes donations and income from fundraising appeals, bequests and interest income. Donations are initially brought to account when received. Donations received designated by the donor for a particular purpose and not expended at balance date are held in the Balance Sheet as "Designated Grants in Advance" reflecting that the donation is initially made to Hopefield for a designated purpose and so imposing a restriction on those monies. Interest revenue is recognised as income as it accrues while dividend income from investments is recognised upon receipt.

(f) Inventories

Inventories of books are held at cost. Where the cost is not likely to be recovered then a provision for impairment is raised.

(g) Incorporation and Segment of Activity

Hopefield Services Incorporated was incorporated as an Association in NSW on 25 February 1999.

It is a charitable organisation providing both benevolent and other care to those predominantly in the South-Eastern areas of Sydney.

Hopefield Services Incorporated
Notes to and forming part of the Accounts
For the Year Ended 31 December 2019

(h) Financial Instruments

Financial assets and liabilities are recognised when the Entity becomes a party to the contractual provisions to the instrument. For assets this is as at the date the Entity commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs unless the financial instrument is classified as "fair value through the income statement" in which case transaction costs are expensed immediately.

Financial instruments are subsequently measured at fair value or cost.

"Available for sale" financial assets are non-derivative financial assets that either do not fit into other categories (eg held for trading or fixed maturity or fixed payments) or because they are designated by management as being available for sale. These typically comprise share investments in the equity of (predominantly) listed companies. They are subsequently measured at fair value with any remeasurements other than impairment losses recognised in Other Comprehensive Income. When the financial asset is derecognised then the cumulative gain or loss pertaining to that asset and previously recognised in other comprehensive income is reclassified into profit or loss. Available for sale financial assets are classified as non-current when there is no expectation that they may be sold within 12 months of the end of the reporting period.

Non-derivative financial liabilities are measured at amortised cost, being the amount at which it is originally recognised less principal repayments where applicable and any reduction for impairment and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the effective interest method.

(j) Employee Entitlements

Provision is made for the Entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount. Contributions are made by the Entity to employee superannuation funds and are charged as expenses when incurred.

(k) Impairment of Assets

At each reporting date the board reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists then the board estimates the recoverable amount of the cash-generating unit to which the asset belongs, being the higher of fair value less costs to sell and value in use.

(l) Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume as reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Entity.

Hopefield Services Incorporated
Notes to and forming part of the Accounts
For the Year Ended 31 December 2019

Note 2 Statement showing how funds received were applied to charitable purposes

Fundraising was by direct contact Newsletters and through Churches. Fundraising costs and income is separately shown within the Income Statement. A series of publications both raises funds for the endeavours of Hopefield and also assists children and others in dealing with anxiety. Sales and costs of publications are shown separately in the financial report. The entity is exempted from the provisions of the NSW Charitable Fundraising Act however it elects to follow the guidelines of the Department in its fundraising practices.

Note 3 Related Parties

GyMEA Baptist Church is the sponsoring organisation of SCW providing rent and occupancy costs at no charge. With the exception of Marc Rader who receives normal remuneration for services provided to GBC, no Board member receives any form of remuneration from either entity.

At balance date the Association had loaned GBC funds at nil interest unsecured and repayable on one months notice in writing.

The names of those who held office as Board members at any time during the year are:

Russell Foxe	Chairperson
Nicole Jones	Treasurer
Jason Ezzy	Secretary
Marc Rader	
Graham Barker	

Note 4 Financial Exposures

Hopefield Services Incorporated has no financial exposures to any currency, market or other price risks. HSI has a policy of investing unspent funds primarily in Australian based banks and financial institutions.

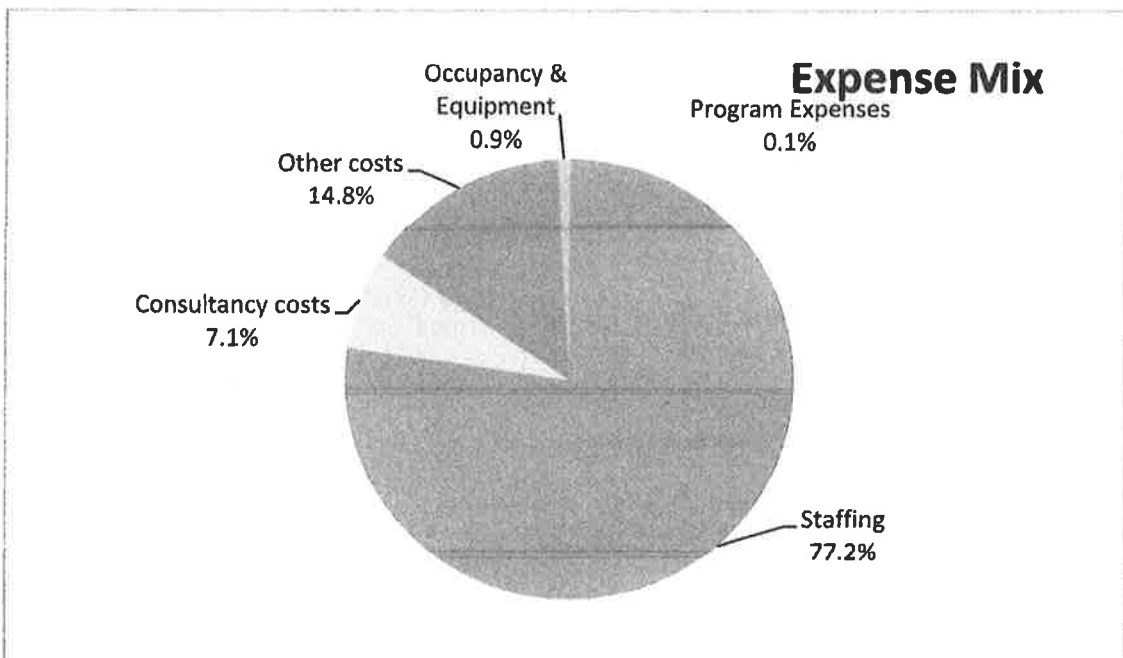
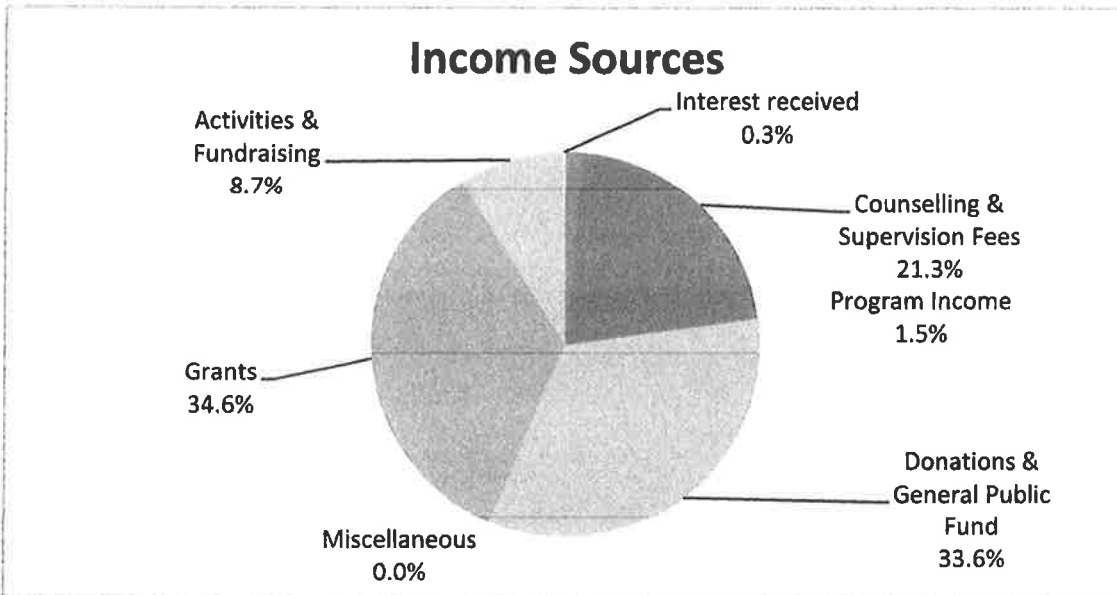
At year end funds were deposited with a related entity GyMEA Baptist Church at call.

HSI is affected by changes in interest rates as at any particular time it holds funds for general working capital purposes and for specific projects. The effect of interest rate changes on the organisation is shown by the following:

	2019	2018
<i>For an increase of 1% in interest rates:</i>		
Increase in surplus and net assets	\$ 2,598	\$ 1,672
<i>For a decrease of 1% in interest rates:</i>		
Decrease in surplus and net assets	\$ (2,598)	\$ (1,672)

Hopefield Services Incorporated
For the Year Ended 31 December 2019

	This Year	Last Year
Income		
Program Income	8,395	9,781
Counselling & Supervision Fees	117,515	113,989
Donations & General Public Fund	185,690	237,796
Miscellaneous	108	6,149
Grants	190,978	88,247
Activities & Fundraising	48,079	42,814
Interest received	1,571	1,184
Surplus/(Deficit)	(6,162)	27,622
Expenses		
Staffing	431,053	350,233
Program Expenses	555	1,994
Consultants costs	39,572	59,722
Other costs	82,455	59,386
Occupancy and equipment costs	4,862	1,003



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOPEFIELD SERVICES INCORPORATED.

ABN 30 761 157 197

REPORT ON THE FINANCIAL REPORT.

I have audited the financial report of **HOPEFIELD SERVICES INCORPORATED**, which comprises the balance sheet as at 31 December 2019 the Income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Statement by the Board of Management.

In my opinion the Financial report of **HOPEFIELD SERVICES INCORPORATED** 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 31 December 2019 and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial report section of my report. I am independent of the registered 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibility of the Responsible Entities for the Financial Report.

The Responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial reports appropriate to meet the requirements of the ACNC Act. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free of material misstatement, whether due to fraud or error. In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or to have no realistic alternative but to do so. The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial report.

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

NAME OF FIRM Anthony Gilbert C A

Chartered Accountant.

NAME OF PRINCIPAL Anthony Gilbert.



ADDRESS: 26 Oyster Bay Road, Oyster Bay, NSW 2225

Dated this 4th day of May 2020