



**Audited Financial
Statements
2018-2019**

BEAUCARE INC.

**Financial Statements
For the Year Ended 30 June 2019**

- Statement of Income & Expenditure
- Balance Sheet
- Notes to the Financial Statements
- Statement by Management Committee
- Independent Auditor's Report

Audited By:



Gillow & Teese
Chartered Accountants

BEAUCARE INC.
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
INCOME		
Recurrent Funding	1,757,375	1,879,474
Administration, Finance & Auspice Contribution	24,001	33,866
Grant Income	55,429	36,285
Emergency Relief Funding	26,000	18,000
Client Income	134,790	133,991
NDIS Client Income	1,351,734	461,309
Levies - Educators	95,630	127,738
Levies - Family	319,677	369,015
Brokerage/Fee Income	74,314	108,815
Membership Income	75	60
Interest Income	8,521	10,500
Donations	2,130	3,796
Fundraising	558	1,242
Reimbursements	410	2,663
Educator Contributions	2,856	5,009
Rental Income - External	44,159	36,358
Kitchen Income	299	-
IT Income	2,088	5,765
Fuel Tax Credits	693	720
Employee Contribution to Motor Vehicles	12,927	11,674
TOTAL INCOME	<u>3,913,666</u>	<u>3,246,280</u>
EXPENDITURE		
Promotional	22,558	30,600
Subscriptions, Memberships & Licences	19,735	14,294
Equipment	42,632	31,809
Equipment - Resources	430	759
Equipment - Repairs & Maintenance	7,425	5,951
Insurance	20,011	17,297
Food & Catering	3,206	4,482
Photocopying & Printing	32,317	30,456
Stationery	11,660	11,244
Telephone	34,284	35,579
Rent	-	6,913
Client Costs	59,725	69,108
Educator Costs	176	312
Professional Services	45,665	40,840
Bank Fees	4,787	4,959
Community Centre Dog Expenses	23	648
Professional Development - Educators	2,224	3,441

The accompanying notes form part of this Financial Report.
This Financial Report is to be read in conjunction with the attached
Auditor's Report of Gillow and Teese Chartered Accountants.

BEAUCARE INC.
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Expenditure (Continued)		
Activities Costs	257	1,536
Cleaning	4,393	5,208
Electricity & Gas	15,953	17,283
Fire Services	966	2,059
Pest Control	1,717	1,659
Rates	8,214	8,813
Maintenance - Building	90,109	31,238
Security	2,084	2,877
Document Destruction	1,443	1,207
Emergency Relief Expenses	25,931	17,910
Kitchen Expenses	47,354	14,588
IT Expenses	107,770	108,852
Interest Expense - Building Loan	-	9,225
Interest Expense - Mower Loan	175	474
Wages	2,588,017	2,186,347
Wages - Allowances	151,432	83,093
Wages - Superannuation	238,756	198,672
Wages - Accrued Entitlements	(26,586)	(85,378)
Workcover	43,214	37,026
Recruitment	2,090	1,473
Professional Development	33,652	9,171
Staff Amenities	7,921	6,745
Vehicle Expenses	130,884	118,250
TOTAL EXPENDITURE	<u>3,782,604</u>	<u>3,087,020</u>
SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE	<u><u>131,062</u></u>	<u><u>159,260</u></u>

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**BEAUCARE INC.
BALANCE SHEET
AS AT 30 JUNE 2019**

	2019	2018
	\$	\$
MEMBERS FUNDS		
Accumulated Funds - Beginning of Year	1,020,815	861,555
Surplus/Deficit of Income over Expenditure	131,062	159,260
ACCUMULATED FUNDS - END OF YEAR	<u>1,151,877</u>	<u>1,020,815</u>
REPRESENTED BY		
CURRENT ASSETS		
Cash at Bank	767,986	466,345
Sundry Receivables	66,129	38,242
Recoverables	746	130
Prepayments	2,993	-
TOTAL CURRENT ASSETS	<u>837,854</u>	<u>504,717</u>
NON CURRENT ASSETS		
Building at Cost	Note 1 (b) 552,765	552,765
Motor Vehicles at Cost	Note 1 (b) 204,089	204,089
Accumulated Depreciation	Note 1 (b) (77,714)	(36,897)
TOTAL NON CURRENT ASSETS	<u>679,140</u>	<u>719,957</u>
TOTAL ASSETS	<u>1,516,994</u>	<u>1,224,674</u>
CURRENT LIABILITIES		
Sundry Payables	29,155	16,910
Credit Card	Note 3 3,786	1,143
Business Activity Statement - Payable	24,053	22,715
CCMS Enrolment Advance	13,381	15,201
Loan - Mower	-	3,267
HCP Payments in Advance	9,945	-
Provision - Employee Entitlements	Note 1 (c) 121,078	152,303
Provision - Building Renovations	Note 6 45,000	-
Wages Payable	116,024	-
Unspent Grant Funding	12,538	4,350
Salary Sacrifice Payable	Note 2 (14,482)	(12,030)
TOTAL CURRENT LIABILITIES	<u>360,478</u>	<u>203,859</u>
NON CURRENT LIABILITIES		
Provision - Employee Entitlements	Note 1 (c) 4,639	-
TOTAL NON CURRENT LIABILITIES	<u>4,639</u>	<u>-</u>
TOTAL LIABILITIES	<u>365,117</u>	<u>203,859</u>
NET ASSETS	<u>1,151,877</u>	<u>1,020,815</u>

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This Financial Report is to be read in conjunction with the attached
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BEAUCARE INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 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 1981 (Qld). 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, which do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

(a) Income Tax

It is the opinion of the Committee that the Association is an exempt body for income tax purposes under Section 50-5 of the Income Tax Assessment Act, 1997.

(b) Property, Plant & Equipment

Beaucare Inc. is a special purpose Association and as such has adopted the policy of expensing the acquisition of plant & equipment as equipment in the applicable Statement of Income and Expenditure in the year of purchase in order to acquit any capital funds supplied to purchase those assets.

In accordance with prior years' policy, motor vehicles are recorded on the Balance Sheet at cost and are depreciated over their useful life. Depreciation expense is recorded in Statement of Income and Expenditure.

The land and building located at 44 Tina Street, Beaudesert has been recorded in these financial statements at cost and there has been no depreciation calculated on the building. Expenditure incurred in relation to building alterations or improvements have been expensed in these financial statements in the year incurred.

(c) Employee Benefits

Provision is made for the Association's liability for annual leave and long service leave arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amount expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

BEAUCARE INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

During the previous financial year, the Association ceased accruing for employee's sick leave. This policy has been adopted as the Organisation has significant number of casual staff who are not entitled to sick leave and the balance of the workforce are not entitled to a payout of sick leave upon termination. The effect of this change has resulted in a write-back of Wages – Accrued Entitlements of \$55,399. This adjustment has been recorded in the Statement of Income and Expenditure.

Contributions are made to an employee superannuation fund and are charged as expenses when incurred. There is no legal obligation to provide benefits to employees on retirement.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks.

(e) Revenue

Revenue from the sale of goods and services provided is recognised upon the delivery of goods or services to clients.

Interest revenue is recognised upon receipt.

Grant income is recognised as income in the financial period in which it is received. If grant funds are not acquitted in the current financial year where possible they are carried forward for acquittal in a future financial year or refunded to the Grantor.

Donation income is recognised when the Association obtains control over the funds, which is generally at the time of receipt.

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

(f) Goods & Services Tax

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of an item of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable.

The Association's Australian Business Number (ABN) is 93 959 100 658.

(g) Comparative Figures

Where required by Accounting Standards or where the Association applies an accounting policy retrospectively or reclassifies items in its financial statements the comparative figures have been adjusted to conform with the changes in presentation for the current financial year.

BEAUCARE INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

(h) Provisions

Provisions are recorded in these financial statements where 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Sundry Receivables

Sundry Receivables include amounts due for services rendered. Sundry Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(j) Sundry Payables

Sundry Payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability. The liability outstanding which is expected to be paid in excess of 12 months has been included as a non-current liability.

Note 2 – Fringe Benefits Tax

The Association is registered with the Australian Taxation Office as a Public Benevolent Institution, and as such, receives concessional treatment for fringe benefits that it provides to its employees up to a grossed-up value of \$30,000.

As a result of this concessional FBT treatment, the Association continues to enter into salary packaging arrangements with its employees. The employees retain all of the salary sacrifice savings. The total wages package has been disclosed as the wages expense.

Note 3 – Corporate Charge Card Facility

The Association has a Corporate Charge Card Facility with an overall limit of \$25,000 which is secured by a mortgage on 44 Tina Street, Beaudesert.

Note 4 – Volunteer Donations

During the current financial year, the Association has elected to disclose the value of volunteer contributions to the Organisation. Volunteers have provided a total of 9,310 hours to Beaucare Inc. at a value of \$340,932.

BEAUCARE INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 5 – Honorariums

During the current financial year, the Association has paid honorariums to the board totalling \$1,600.

Note 6 – Provision - Renovations

During the current financial year, the Board approved renovations to the building located at 44 Tina Street totalling approximately \$45,000. This has been recorded as an expense in the Beaucare Inc. – Buildings Statement of Income and Expenditure.

Note 7 – Wages Payable

Wages payable represents an accrual for the amount of wages owing to employees as at 30 June 2019. This amount has been paid to employees in July 2019. This amount has not previously been recognised in the financial statements.

**BEAUCARE INC.
STATEMENT BY MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2019**

The Committee have determined that the Association is not a reporting entity.

The Committee have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

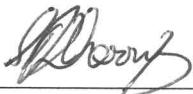
In the opinion of the Committee, the financial report:

- 1) Presents a true and fair view of the financial position of the Beucare Inc as at 30 June 2019 and its performance for the year ended on that date.
- 2) At the date of this statement, there are reasonable grounds to believe that Beucare Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



President



Treasurer

Dated this 28th day of August 2019.

INDEPENDENT AUDITOR'S REPORT
To the Members of
BEAUCARE INC.

Report on the Financial Report

Opinion

We have audited the financial report of Beucare Inc, which comprises the Balance Sheet as at 30 June 2019, and the Statement of Income and Expenditure for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Members of the Committee.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Beucare Inc. as at 30 June 2019 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Act 1981 (Qld).

Basis for Opinion

We conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further discussed in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association 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 audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the Associations Incorporation Act 1981 (Qld). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Act 1981 (Qld) and for such internal control as the Committee 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, the Committee is responsible for assessing the Association'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 the Committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Committee is responsible for overseeing the Association's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
To the Members of
BEAUCARE INC.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Gillow & Teese
Chartered Accountants



Alan R Teese
Partner
Beaudesert

Dated this 28th day of August 2019.