

Central Coast Living Options Inc.
ABN 37 089 411 280

Financial Report
For The Year Ended 30 June 2018

Central Coast Living Options Inc.
ABN 37 089 411 280

Financial Report
For The Year Ended 30 June 2018

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Central Coast Living Options Inc.
ABN 37 089 411 280

Board of Management Report

Your board of management members submit the financial report of the association for the financial year ended 30 June 2018.

Board of management members

The names of committee members as at the date of this report are:

Catherine La Delle
Judith Andrews
Jane Walmsley
Rod Shellshear
Ian Radford
Jane Costigan (Resigned 28/09/2017)
Peter McCloskey
Peter Pouw (Appointed 29/11/2017)

Principal activities

The principal activities of the incorporated association during the financial year was providing the highest quality service that responds to the ever changing needs of individuals with a disability.

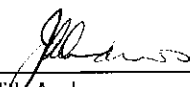
Significant changes

No significant change in the nature of these activities occurred during the financial year.


Operating result

The profit from ordinary activities of the incorporated association for the financial year after providing for income tax amounted to \$317,541 (2017: \$433,416).

Signed in accordance with a resolution of the members of the board of management.



Judith Andrews
Board of management member



Catherine La Delle
Board of management member

Dated: 9.11.18

Independent Auditor's Declaration to the Members of Central Coast Living Options Inc.

We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

FORTUNITY ASSURANCE

A handwritten signature in black ink, appearing to read 'T R Davidson', with a large, stylized initial 'D'.

T R Davidson
Partner

Erina: 6 November, 2018

Central Coast Living Options Inc.
ABN 37 089 411 280

Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue			
Revenue	3	5,318,834	3,186,749
Expenses			
Activity expenses		(478)	(935)
Auditor's remuneration		(5,969)	(5,000)
Bookkeeping expenses		(44,441)	(47,372)
Depreciation and amortisation expense		(112,722)	(100,104)
Computer expenses		(29,093)	(31,345)
Consultants		(15,185)	(66,064)
Employee benefits expense		(4,339,287)	(2,461,491)
Finance costs		(84,010)	(57,772)
Insurance expense		(17,213)	(13,121)
Motor vehicle expenses		(64,573)	(32,166)
Office expenses		(44,946)	(35,312)
Rent expenses		(33,063)	(24,543)
Rental property expenses		(91,269)	(75,686)
Support workers expenses		(61,340)	(10,554)
Telephone expenses		(11,403)	(12,220)
Other expenses		(46,301)	(42,648)
Surplus before income tax expense		<u>317,541</u>	<u>170,416</u>
Income tax expense		-	-
Surplus after income tax expense		<u>317,541</u>	<u>170,416</u>
Gain on Revaluation of Freehold Land		-	173,000
Gain on Revaluation of Investment Properties		-	90,000
Total comprehensive income for the year		<u><u>317,541</u></u>	<u><u>433,416</u></u>

The accompanying notes form part of these financial statements

Central Coast Living Options Inc.
ABN 37 089 411 280

Statement of Financial Position
As at 30 June 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash & cash equivalents	4	1,069,494	844,474
Trade & other receivables	5	65,907	98,445
Financial assets	6	268,934	263,451
Other assets		37,970	28,895
Total Current Assets		<u>1,442,305</u>	<u>1,235,265</u>
Non-Current Assets			
Investment properties	7	1,013,579	1,031,799
Property, plant & equipment	8	2,238,636	1,187,384
Total Non-Current Assets		<u>3,252,215</u>	<u>2,219,183</u>
Total Assets		<u>4,694,520</u>	<u>3,454,448</u>
Current Liabilities			
Trade & other payables	9	125,468	252,212
Borrowings	10	162,454	262,258
Employee Benefits	11	402,003	257,382
Provisions	12	152,000	-
Total Current Liabilities		<u>841,925</u>	<u>771,852</u>
Non-Current Liabilities			
Borrowings	10	1,885,713	1,053,035
Employee benefits	11	108,162	88,382
Total Non-Current Liabilities		<u>1,993,875</u>	<u>1,141,417</u>
Total Liabilities		<u>2,835,800</u>	<u>1,913,269</u>
Net Assets		<u>1,858,720</u>	<u>1,541,179</u>
Members Funds			
Retained Earnings	13	1,858,720	1,541,179
Total Members Funds		<u>1,858,720</u>	<u>1,541,179</u>

The accompanying notes form part of these financial statements

Central Coast Living Options Inc.
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Statement of Changes in Members Funds
For the year ended 30 June 2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2016	1,107,763	1,107,763
Surplus for the year	170,416	170,416
Other Comprehensive Income for the year	263,000	263,000
	<hr/>	<hr/>
Balance at 30 June 2017	1,541,179	1,541,179
Surplus for the year	317,541	317,541
Other Comprehensive Income for the year	-	-
	<hr/>	<hr/>
Balance at 30 June 2018	1,858,720	1,858,720

The accompanying notes form part of these financial statements

Central Coast Living Options Inc.
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Statement of Cash Flows
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		5,427,935	2,357,150
Interest received		16,854	19,562
Interest paid		(84,010)	(57,772)
Payments to suppliers and employees		(4,717,396)	(1,933,721)
Net cash provided by (used in) operating activities	15	643,383	385,219
Cash Flows from Investing Activities			
Payments for financial assets		(5,483)	(5,146)
Payments for investment property		-	(350,000)
Payments for property, plant & equipment		(1,145,755)	(139,333)
Net cash provided by (used in) investing activities		(1,151,238)	(494,479)
Cash flows from financing activities			
Proceeds from borrowings		821,453	557,947
Repayment of borrowings		(88,578)	(58,825)
Net cash from/(used in) financing activities		732,875	499,122
Net increase/(decrease) in cash and cash equivalents		225,020	389,862
Cash and cash equivalents at the beginning of the financial period		844,474	454,612
Cash and cash equivalents at the end of the Financial Period		1,069,494	844,474

The accompanying notes form part of these financial statements

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2018

1. Summary of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 2009, the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 and associated regulations. The committee has determined that the association is not a reporting entity.

Central Coast Living Options Inc. is an association registered under the Associations Incorporations Act 2009 and domiciled in New South Wales.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

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

(a) New, revised or amending Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

(b) Basis of Preparation

In the committee members' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purpose of complying with the New South Wales legislation the Associations incorporation Act 2009, Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 and associated regulations. The committee members have determined that the accounting policies adopted are appropriate to meet the needs of the members of Central Coast Living Options Inc.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the AASB and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical Cost Convention

The financial statement have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss.

Central Coast Living Options Inc.
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2018

1. Summary of Significant Accounting Policies, continued

(b) Basis of Preparation, continued

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 incorporated association'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.

(c) Revenue Recognition

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

Sale of Goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Grants and Donations

Grant and donation revenue is recognised when the incorporated association obtains control over the funds, which is usually at the time of receipt.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(d) Cash and Cash Equivalents

Cash and cash equivalents include 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 insignificant risk of changes in value.

(e) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the incorporated association will not be able to collect all amounts due according to the original terms of the receivables.

Central Coast Living Options Inc.
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2018

1. Summary of Significant Accounting Policies, continued

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

(g) Investment and other financial assets

Investments and other financial assets are initially measured at cost and subsequently measured at either amortised cost or fair value depending on classification. Classification is based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

(h) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. Freehold land and buildings are measured on the cost basis. Plant and equipment are measured on the cost basis.

All fixed assets, excluding freehold land, are depreciated on a straight line over their useful lives of the business over their expected useful lives as follows:

Buildings	20 years
Plant and Equipment	3-10 years
Motor Vehicles	5-8 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 incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(i) 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.

(j) Trade and Other Payables

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

Central Coast Living Options Inc.
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2018

1. Summary of Significant Accounting Policies, continued

(k) Provisions

Provisions are recognised for legal and constructive obligation as a result of a past event, it is probable the incorporated association will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Amount recognised is the best estimate of the consideration required to settle the obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(l) Employee Benefits

Short-Term employee Benefits

Liabilities for wages and salaries including non-monetary benefits, annual leave and long service leave expected to be settled 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 period 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 superannuation plans are expensed in the period in which they are incurred.

(m) 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.

(n) Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. 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 tax authority, are presented as operating cash flows.

Central Coast Living Options Inc.
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2018

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumption that affect the reported amounts in the financial statements. Management continually evaluates 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 amount of assets and liabilities within the next financial year are discussed below.

Provision for impairment of receivables

The level of provision is assessed by considering recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Provision for impairment of inventories

The provision is assessed by considering recent sales experience, the ageing of inventories and other factors affecting obsolescence.

Estimation of useful lives of assets

Estimated useful lives, related depreciation and amortisation charges for its property, plant and equipment could vary as a result of technical innovations or some other event and 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 down.

Impairment of non-financial assets

Impairment is assessed by evaluating conditions specific to the asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined.

Employee benefits provision

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 increases through promotion and inflation have been taken into account.

Revenue from Sponsorship

Judgement and estimates need to be exercised to determine if funding received is a non-reciprocal transfer.

Central Coast Living Options Inc.
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2018

	2018 \$	2017 \$
3. Revenue		
Service income	4,929,851	2,896,307
Fundraising income	1,440	14,581
Interest	16,854	19,562
Rent	129,847	111,373
Other revenue	240,842	144,926
Total Sales Revenue	<u>5,318,834</u>	<u>3,186,749</u>
4. Cash & cash equivalents		
Cash on hand	2,600	1,700
Cash at bank	1,066,894	842,774
	<u>1,069,494</u>	<u>844,474</u>
5. Trade & other receivables		
Trade receivables	63,890	37,845
Other receivables	-	5,083
Rental bond	2,017	2,017
Deposits Paid	-	53,500
	<u>65,907</u>	<u>98,445</u>
6. Financial assets		
CBA deposit	<u>268,934</u>	<u>263,451</u>
7. Investment properties		
Land – Canton Beach Road – at independent valuation	360,000	360,000
Buildings – Canton Beach Road – at independent valuation	364,375	364,375
Less: accumulated depreciation	(60,796)	(42,576)
Land – Canton Beach Road at Cost	350,000	350,000
	<u>1,013,579</u>	<u>1,031,799</u>

Valuations of investment properties

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. The investment properties are revalued annually based on independent assessments by a member of the Australian Property Institute.

Central Coast Living Options Inc.
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2018

	2018 \$	2017 \$
8. Property, Plant and Equipment		
Land Wakool – at independent valuation	245,000	245,000
Land Minnamurra Road – at independent valuation	300,000	300,000
Land Lily Lane – at independent valuation	245,000	245,000
Land Victoria Avenue – at cost	300,000	-
	<u>1,090,000</u>	<u>790,000</u>
Motor vehicles – at cost	447,441	316,727
Less; accumulated depreciation	(194,226)	(135,939)
	<u>253,215</u>	<u>180,788</u>
Group Home Lily Lane – at cost	275,117	275,117
Less: accumulated depreciation	(170,742)	(156,986)
	<u>104,375</u>	<u>118,131</u>
Group Home Wakool – at cost	217,397	217,397
Less; Accumulated depreciation	(129,802)	(118,932)
	<u>87,595</u>	<u>98,465</u>
Group Home Victoria Ave– at cost	235,000	-
Less; Accumulated depreciation	(11,589)	-
	<u>223,411</u>	<u>-</u>
Improvements Minnamurra – at cost	480,040	-
	<u>480,040</u>	<u>-</u>
Total Property, Plant and Equipment	<u>2,238,636</u>	<u>1,187,384</u>

Central Coast Living Options Inc.
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2018

8. Property, Plant and Equipment, continued

Movements in Carrying Accounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Group Homes \$	Motor Vehicle \$	Total \$
2017				
Balance at the beginning of the year	617,000	285,445	69,133	971,578
Additions at cost	-	-	139,332	139,332
Disposals & Transfers	-	-	-	-
Revaluation adjustments	173,000	-	-	173,000
Depreciation expense	-	(68,849)	(27,677)	(96,526)
Carrying amount at end of year	<u>790,000</u>	<u>216,596</u>	<u>180,788</u>	<u>1,187,384</u>

	Land \$	Group Homes \$	Motor Vehicle \$	Total \$
2018				
Balance at the beginning	790,000	216,596	180,788	1,187,384
Additions at cost	300,000	715,040	130,715	1,145,755
Disposals & Transfers	-	-	-	-
Depreciation expense	-	(36,215)	(58,288)	(94,503)
Carrying amount at end of year	<u>1,090,000</u>	<u>895,421</u>	<u>253,215</u>	<u>2,238,636</u>

9. Trade & Other Liabilities

Trade Payables	21,217	14,269
Accrued expenses	31,770	19,369
BAS payable	72,481	53,375
Funding in advance	-	164,999
	<u>125,468</u>	<u>252,212</u>

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2018

	2018 \$	2017 \$
10. Borrowings		
Current		
Bank loans	130,279	231,132
Finance Loans	32,175	31,126
	<u>162,454</u>	<u>262,258</u>
Non-current		
Bank loans	1,776,664	910,000
Finance Loans	109,049	143,035
	<u>1,885,713</u>	<u>1,053,035</u>
The bank overdraft and loans are secured by first mortgages over the incorporated association's land and buildings.		
11. Employee benefits		
Current		
Annual leave	115,381	82,950
Long service leave	51,533	18,805
Sick leave	83,576	62,433
Redundancy	93,194	93,194
Workers Compensation	58,319	-
Total Provisions	<u>402,003</u>	<u>257,382</u>
Non-current		
Long service leave	108,162	88,382
	<u>108,162</u>	<u>88,382</u>
12. Provisions		
Provision for ADHC	152,000	-
Total Provisions	<u>152,000</u>	<u>-</u>

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2018

	2018 \$	2017 \$
13. Retained Earnings		
Retained Earnings at the beginning of the financial year	1,541,179	1,107,763
Net (loss)/profit attributable to the association	317,541	433,416
Retained Earnings at the end of the financial year	<u>1,858,720</u>	<u>1,541,179</u>
14. Events after the reporting period		
No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect, the incorporated association's operations, results of these operations, or the incorporated association's state of affairs in future financial years.		
15. Reconciliation of Cash Flows from Operating Activities		
Surplus for the year	317,541	170,416
Adjustments for:		
Depreciation and Amortisation Expense	112,722	100,104
Changes in net assets and liabilities:		
(Increase)/Decrease in Trade & Other Receivables	32,538	(64,008)
(Increase)/Decrease in Other Assets	(9,075)	(17,020)
Increase/(Decrease) in Trade & Other Payables	(126,744)	108,290
Increase/(Decrease) in Employee Benefits	164,401	87,437
Increase/(Decrease) in Provisions	152,000	-
Cash Flows from Operating Activities	<u>643,383</u>	<u>385,219</u>

16. Contingent Liability

The Association has been advised that they have no amounts owing to the Department of Ageing, Disability and Home Care (ADHC), but the Committee has elected to provide an amount of \$152,000 against any future claims arising for any undisclosed amounts owing due to the National Disability Insurance Scheme (NDIS) change-over.

Central Coast Living Options Inc.
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Statement by Members of the Board of Management

In the Board of Management's opinion:

- (i) the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Associations Incorporations Act 2009 (NSW)*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Charitable Fundraising Act 1991* and associated regulations;
- (ii) the attached financial statements and notes comply with the Australian Accounting Standards as described in note 1 to the financial statements;
- (iii) the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;
- (iv) there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable;
- (v) the financial statements give a true and fair view of all income and expenditure with respect to fundraising appeals; and
- (vi) the internal controls exercised by the incorporated association are appropriate and effective in accounting for all income received and applied by the incorporated association from all fundraising appeals.

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



Judith Andrews
Board of management member



Catherine La Delle
Board of management member

Dated: 9.11.18

Independent Auditor's Report to the Members of Central Coast Living Options Inc.

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Central Coast Living Options Inc. (the association), which comprises the statement of financial position as at 30 June 2018, statement of profit or loss & other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee Members' declaration.

In our opinion the financial report of Central Coast Living Options Inc. is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.
- (c) the Charitable Fundraising Act 1991, including
 - (i) the financial report shows a true and fair view of the financial result of fundraising appeals for the year to which they relate; and
 - (ii) the financial report and associated records have been properly kept during the year in accordance with this Act and the regulations; and
 - (i) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with this Act and the regulations; and
 - (ii) Central Coast Living Options Inc. is solvent, as it is able to pay its debts as and when they fall due.

Emphasis of Matter

The financial report of Central Coast Living Options Incorporated is a special purpose financial report that has been prepared in accordance with the accounting policies described in Note 1 to the financial report.

Other Information

The Committee Members are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2018, but does not include the financial report or our 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.

Independent Auditor's Report to the Members of Central Coast Living Options Inc.

Other Information Continued ...

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 materially misstated.

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

Committee Members' Responsibility for the Financial Report

The Committee Members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the committee members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report the Committee Members are 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 Members either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 it 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 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 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 controls.
- Obtain an understanding of internal controls relevant to the audit in order to design the 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.

Independent Auditor's Report to the Members of Central Coast Living Options Inc.

Auditor's Responsibility for the Audit of the Financial Report Continued ...

- Conclude on the appropriateness of the Association'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 or conditions may cause the 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.

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

FORTUNITY ASSURANCE



T R Davidson
Partner

Registered Association Auditor No: 1177

155 The Entrance Road
ERINA NSW

Dated: 6 November, 2018