
HANDS ON SA LIMITED
(a Company Limited by Guarantee)
ABN 69 007 629 012

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2018

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

CONTENTS

| | Page |
|------------------------------------|------|
| Directors' Report | 2 |
| Auditor's Independence Declaration | 4 |
| Statement of Comprehensive Income | 5 |
| Statement of Financial Position | 6 |
| Statement of Changes in Equity | 7 |
| Statement of Cash Flows | 8 |
| Notes to the Financial Statements | 9 |
| Directors' Declaration | 17 |
| Independent Auditor's Report | 18 |

General Information

The financial report covers Hands On SA Limited as an individual entity. Following the merger of Hands On SA Limited with Finding Workable Solutions Inc, the organisation re-branded to Mobo Group (Australia) to unite the combined operations under the one trading name. Mobo Group exists to enable people with disabilities to be the best they can be.

The financial report is presented in Australian dollars, which is the functional and presentation currency of Hands On SA Limited, and consists of the financial statements, notes to the financial statements and the directors' declaration.

Hands On SA Limited is a not-for-profit unlisted public Company Limited by Guarantee, a registered charity with the Australian Charities and Not-for-Profits Commission, incorporated and domiciled in Australia. Its registered office and principal place of business are:

47 King William Street
Kent Town SA 5067

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the company for the period ended 30 June 2018.

DIRECTORS

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

| | A | B |
|---------------------------|----------|----------|
| Mr. Sam Scammell | 11 | 11 |
| Mr. Gary Anderson | 11 | 10 |
| Mr. Antimo Spagnuolo | 11 | 10 |
| Mr. Barry Sharpe | 11 | 8 |
| Ms Clare Feszczak | 9 | 7 |
| Mr Robert Syling AFSM OAM | 9 | 7 |
| Mr Ralph Kogler | 9 | 8 |
| Mr John Allen | 9 | 5 |
| Mr. Roy Arnold OAM | 5 | 5 |

Resigned 15 November 2017

column A is the number of meetings the Director was entitled to attend during the financial year

column B is the number of meetings the Director attended during the financial year

REVIEW OF OPERATIONS

The net surplus of the company for the year ended 30 June 2018 is \$179,168 (2017 net deficit: \$399,681).

PRINCIPAL ACTIVITY

The principal activities of the company during the financial year are to provide employment and related support services to people with a disability.

On 1 September 2017 the company completed the merger with Finding Workable Solutions Inc. The merger added total net assets of \$937,543, and significantly expanded the geographic area of operations.

CONTRIBUTION ON 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 \$50 each towards meeting any outstanding obligations of the entity. The company has 8 members.

COMPANY SECRETARY

Andrew Ramsey is the appointed Company Secretary.

INFORMATION ON DIRECTORS

Mr. Sam Scammell

Chairman

Sam has more than 30 years experience as a practicing lawyer and as a senior executive providing business mentoring and business development services as well as specialties in legal, governance and compliance to the Board.

Mr. Roy Arnold OAM

Resigned 15 November 2017

Chairman (previous)

Mr. Roy Arnold has more than 50 years experience as a chief executive officer, managing director and senior executive and brings leadership and strategic skills to the Board as well as experience within the disability sector.

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
DIRECTORS' REPORT

INFORMATION ON DIRECTORS (cont.)

Mr. Antimo Spagnuolo

Finance, Risk & Audit Committee Chairman

Antimo has more than 30 years of senior/executive experience in the areas of corporate finance, business management and banking.

Mr. Gary Anderson

Futures Committee Chairman

Gary brings strategic business, marketing and facilitation skills to the Board.

Mr. Barry Sharpe

Director

Barry brings business and marketing strategy expertise to the Board.

Ms. Clare Feszczak

Director

Clare brings to the board experience across public, private and not for profit sectors, with skills in governance, change management, project management and business best practice.

Mr. Robert Syling AFSM OAM

Director

Robert brings to the board an extensive career and understanding of the disability sector.

Mr. Ralph Kogler

Director

Ralph brings to the board a diverse range of senior management skills having worked many years in a CEO capacity.

Mr. John Allen

Director

John brings to the board skills and experience in project management, engineering, and construction.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 is set out on the next page.

This report is made in accordance with a resolution of directors.

On behalf of the directors;



Mr. Sam Scammell
Chairman

17.10.18
Date

HANDS ON SA LIMITED
(a Company Limited by Guarantee)

**AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60-40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR -PROFITS ACT 2012 TO THE BOARD OF HANDS ON SA LIMITED**

I declare that to the best of my knowledge and belief, in relation to the audit of Hands On SA Limited for 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.

Not for Profit Accounting Specialists
38 Surrey Road
KESWICK SA 5035

Nicholas Matsis CPA
Registered Company Auditor No 77466

Date:

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

| | Note | 2018 \$ | 2017 \$ |
|--|------|-----------------------|-------------------------|
| INCOME | 3 | 6,365,977 | 2,536,096 |
| EXPENSES | | | |
| Raw Materials & Consumables | | 213,207 | 34,383 |
| Employee Related Costs | | 4,499,336 | 1,782,456 |
| Depreciation & Amortisation | | 198,356 | 135,886 |
| Legal & Merger Expenses | 4 | 147,111 | 369,386 |
| Other Expenses | 5 | 1,128,799 | 613,667 |
| TOTAL EXPENSES | | <u>6,186,809</u> | <u>2,935,777</u> |
| SURPLUS/(DEFICIT) FOR THE YEAR | | <u>179,168</u> | <u>(399,681)</u> |
| Other Comprehensive Income | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u><u>179,168</u></u> | <u><u>(399,681)</u></u> |

The accompanying notes form part of these financial statements

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

| | Note | 2018 \$ | 2017 \$ |
|----------------------------------|------|-------------------|-------------------|
| CURRENT ASSETS | | | |
| Cash & Cash Equivalents | 6 | 498,520 | 832,912 |
| Financial Assets | 7 | 4,221,067 | 4,195,165 |
| Trade & Other Receivables | 8 | 325,523 | 88,145 |
| Inventories | | 20,982 | 4,620 |
| Other Assets | 9 | 47,564 | 17,061 |
| TOTAL CURRENT ASSETS | | <u>5,113,656</u> | <u>5,137,903</u> |
| NON-CURRENT ASSETS | | | |
| Property, Plant & Equipment | 10 | <u>8,398,655</u> | <u>6,786,519</u> |
| TOTAL ASSETS | | <u>13,512,311</u> | <u>11,924,422</u> |
| CURRENT LIABILITIES | | | |
| Trade & Other Payables | 11 | 284,703 | 207,157 |
| Provisions | 12 | 665,368 | 203,905 |
| Income Received in Advance | | 31,786 | 138,984 |
| TOTAL CURRENT LIABILITIES | | <u>981,857</u> | <u>550,046</u> |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 12 | <u>62,252</u> | <u>22,886</u> |
| TOTAL LIABILITIES | | <u>1,044,109</u> | <u>572,932</u> |
| NET ASSETS | | <u>12,468,203</u> | <u>11,351,490</u> |
| ACCUMULATED FUNDS | | | |
| Members Funds | | 161 | 161 |
| Reserves | 13 | 901,615 | 901,615 |
| Accumulated Surplus | 14 | 11,566,426 | 10,449,714 |
| TOTAL EQUITY | | <u>12,468,202</u> | <u>11,351,490</u> |

The accompanying notes form part of these financial statements

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

| Note | Members Funds \$ | Accumulated Surplus \$ | Reserves \$ | Total \$ |
|--|------------------------|------------------------------|----------------|-------------|
| BALANCE AT 1 JULY 2016 | 155 | 10,249,395 | 1,501,615 | 11,751,165 |
| Members Funds Received during the Period | 6 | - | - | 6 |
| Surplus/(Deficit) for the Year | - | (399,681) | - | (399,681) |
| Transfer (from)/to Reserves | - | 600,000 | (600,000) | - |
| BALANCE AT 30 JUNE 2017 | 161 | 10,449,714 | 901,615 | 11,351,490 |
| BALANCE AT 1 JULY 2017 | 161 | 10,449,714 | 901,615 | 11,351,490 |
| Surplus/(Deficit) for the Year | - | 179,168 | - | 179,168 |
| Net Assets from Merger | - | 937,544 | - | 937,544 |
| BALANCE AT 30 JUNE 2018 | 13&14 161 | 11,566,426 | 901,615 | 12,468,202 |

The accompanying notes form part of these financial statements

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

| | Note | 2018 \$ | 2017 \$ |
|---|------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Operations | | 5,730,556 | 2,533,580 |
| Interest Received | | 115,176 | 135,124 |
| Payments to Suppliers & Employees | | <u>(6,005,091)</u> | <u>(2,513,013)</u> |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | (159,358) | 155,691 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of Property, Plant & Equipment | | (178,157) | (79,722) |
| Disposal of Property, Plant & Equipment | | <u>500,910</u> | <u>-</u> |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | | 322,752 | (79,722) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Members Funds Received | | - | 6 |
| Repayment of Loans | | <u>(512,406)</u> | <u>-</u> |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | (512,406) | 6 |
| NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS | | (349,012) | 75,976 |
| CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 5,028,077 | 4,952,101 |
| CASH & CASH EQUIVALENTS ACQUIRED DURING MERGER | | 40,522 | - |
| CASH & CASH EQUIVALENTS AT THE END OF THE YEAR | 15 | <u><u>4,719,587</u></u> | <u><u>5,028,077</u></u> |

The accompanying notes form part of these financial statements

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1. CORPORATE INFORMATION

The financial statements of Hands On SA Limited for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 17 October 2018.

The Company is a not-for-profit unlisted public Company limited by guarantee and is incorporated and domiciled in Australia.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements have been prepared on an accrual basis and is based on historical costs, except for land and buildings that have been recorded at current valuations, and long service leave provision that takes into account the changing value of money.

The financial statements are presented in Australian dollars which is the functional and presentation currency.

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.

b) Significant Accounting Judgement, Estimates & Assumptions

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful Lives of Depreciable Assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to expected useful life of land and buildings.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated 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.

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

c) Income

Income comprises revenue from the sale of goods, government grants, rendering of services, and fundraising activities.

Income is recognised when the amount of the income can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Income is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sales Revenue

Sales revenue include income from sale of goods and services.

Income from the sale of goods is recognised when the risk and rewards associated with the goods have transferred from the company to the buyer which generally occur at the point of sale. Income from rendering services is recognised when the service has been provided.

Operating Grants

Grant income is recognised in the statement of comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant income is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Management and administration costs incurred in connection with administration of the company and compliance with constitutional and statutory requirements are included as other expenses in the Statement of Comprehensive Income.

e) Income Tax

The company is exempt from income tax pursuant to the Income Tax Assessment Act 1997. Accordingly, Australian Accounting Standard AASB 112 has not been applied and no provision for income tax has been included in the financial statements.

f) Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

g) Employee Entitlements

Liabilities for employee benefits for wages, salaries, and leave entitlements that are expected to be settled within 12 months of the reporting date representing present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration rates that the organisation expects to pay as at reporting date.

The company presents employee benefit obligations as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

The company's liability for long service leave is included in other long-term benefits if they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in the Statement of Comprehensive Income in the periods in which the changes occur.

The company provides post-employment benefits through defined contribution plans. The amount charged to the Statement of Comprehensive Income in respect of superannuation represents the fixed contributions made or payable by the company to the superannuation funds of employees. The company has no legal or constructive obligations to pay contributions in addition to its fixed contributions.

h) Cash & Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, plus term deposits with maturity dates of less than twelve months from balance date net of any outstanding bank overdrafts.

i) Trade & Other Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

j) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as asset out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

j) Financial Instruments (cont.)

Held-To-Maturity investment

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method. The company's term deposits with a maturity date greater than three months fall into this category.

k) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

l) Property, Plant & Equipment

Plant and equipment are measured using the cost model. Land and buildings are measured using the revaluation model.

Property, plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Changes in the carrying amount arising on revaluation of land and buildings are recorded to other comprehensive income and charged to a revaluation reserve in equity.

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.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to Hands On SA Limited commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are shown below:

| Fixed Asset Class | Depreciation rate |
|--------------------------|--------------------------|
| Buildings | 2.50% |
| Plant & Equipment | 15% |
| Motor Vehicles | 22% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

l) Property, Plant & Equipment (cont.)

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Depreciated replacement cost is used to determine value in use where the assets are not held principally for cash generating purpose and would be replaced if the company was deprived of it. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. Value in use for all other assets is a discounted cash flow calculation.

Derecognition & Disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the company or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year the asset is derecognised.

m) Trade & Other Payables

Trade payables and other payables represent liabilities for goods and services provided before the end of the financial year that are unpaid. The carrying amount of the creditors and payables is deemed to reflect fair value.

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| 3. INCOME | | |
| Operating Grants | 4,313,609 | 1,763,231 |
| Sales Revenue | 1,570,955 | 564,231 |
| Other Income | 280,498 | 9,070 |
| Interest Received | 115,176 | 135,124 |
| Rental Income | 85,738 | 64,440 |
| | 6,365,977 | 2,536,096 |
| 4. LEGAL & MERGER EXPENSES | | |
| Legal & Merger Expenses Incurred During the Year | 147,111 | 369,386 |

Legal costs mostly relate to legal services incurred for the merger between the company and Finding Workable Solutions Inc and for services in an on-going defence of action and claim against the company by the former CEO. Transaction costs relating to the merger is expensed as incurred.

On 14 September 2018 the company received \$240,434, being proceeds of an Insurance Claim for legal expenses incurred in relation to the former CEO's claim. This amount will be recorded as Income in the following financial period.

5. OTHER EXPENSES

Major items of 'Other Expense' include the following:

| | | |
|--------------------------|---------|--------|
| Accounting and Assurance | 113,682 | 94,593 |
| Advertising & Marketing | 113,019 | 12,840 |
| Rent Paid | 143,375 | - |

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| 6. CASH & CASH EQUIVALENTS | | |
| Cash at Bank | 496,119 | 832,912 |
| Cash on Hand | 2,401 | - |
| | <u>498,520</u> | <u>832,912</u> |
| 7. FINANCIAL ASSETS | | |
| Bank term deposits with a maturity of more than 3 months but less than 12 months are shown as current financial assets. | | |
| Bank Term Deposits | <u>4,221,067</u> | <u>4,195,165</u> |
| 8. TRADE & OTHER RECEIVABLES | | |
| Trade Receivables | <u>325,523</u> | <u>88,145</u> |
| <p>The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.</p> | | |
| 9. OTHER ASSETS | | |
| Prepaid Expenses | 44,491 | 17,061 |
| Bond Paid | 3,073 | - |
| | <u>47,564</u> | <u>17,061</u> |
| 10. PROPERTY, PLANT & EQUIPMENT | | |
| LAND & BUILDINGS | | |
| Land | | |
| At Valuation | <u>4,708,000</u> | <u>3,974,000</u> |
| Buildings | | |
| At Valuation | 3,155,266 | 2,519,558 |
| Accumulated Depreciation | (101,486) | (26,343) |
| Total Buildings | <u>3,053,780</u> | <u>2,493,215</u> |
| Total Land & Buildings | <u>7,761,780</u> | <u>6,467,215</u> |
| Plant & Equipment | | |
| At Cost | 546,571 | 482,311 |
| Accumulated Depreciation | (200,088) | (222,023) |
| Total Plant & Equipment | <u>346,483</u> | <u>260,288</u> |
| Motor Vehicles | | |
| At Cost | 429,747 | 120,919 |
| Accumulated Depreciation | (139,355) | (61,903) |
| Total Motor Vehicles | <u>290,392</u> | <u>59,016</u> |
| Total Property, Plant & Equipment | <u>8,398,655</u> | <u>6,786,519</u> |

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

10. PROPERTY, PLANT & EQUIPMENT (cont.)

The company acquired property, plant & equipment with a fair value of \$2,133,658 as part of the merger.

The land & buildings acquired as part of the merger were recorded in the financial statements at fair value based on valuations conducted by an independent valuer on 15 August 2017.

The company's land and buildings, other than those acquired as part of the merger, were revalued at 31 January 2017 by independent valuers. Valuations were made on the basis of open market value in an arms length transaction based on similar properties.

At 30 June 2018, the Board of Directors are of the opinion that the carrying amount of the properties approximates the fair value.

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Reconciliation of Property, Plant & Equipment carrying amount: | | |
| Balance at Beginning of the Year | 6,786,519 | 6,978,641 |
| Additions During the Year | 2,317,543 | 79,725 |
| Depreciation for the Year | (198,356) | (135,886) |
| Disposals During the Year | (498,363) | (50,354) |
| Minor Assets Written Off During the Year | (8,688) | (85,607) |
| Balance at the End of the Year | <u>8,398,655</u> | <u>6,786,519</u> |
| | | |
| 11. TRADE & OTHER PAYABLES | | |
| Trade Payables | 168,710 | 141,734 |
| Other Payables | 115,993 | 65,423 |
| | <u>284,703</u> | <u>207,157</u> |
| | | |
| 12. PROVISIONS | | |
| i) Current | | |
| Annual Leave | 233,653 | 80,784 |
| Long Service Leave | 431,715 | 123,121 |
| | <u>665,368</u> | <u>203,905</u> |
| ii) Non-Current | | |
| Long Service Leave | 62,252 | 22,886 |
| | <u>62,252</u> | <u>22,886</u> |
| | | |
| 13. RESERVES | | |
| Revaluation Surplus | | |
| Opening Balance | 901,615 | 901,615 |
| | | |
| Oakden Building Reserve | | |
| Opening Balance | - | 600,000 |
| Transferred to Retained Earnings | - | (600,000) |
| | <u>-</u> | <u>-</u> |
| | | |
| Total Reserves | <u>901,615</u> | <u>901,615</u> |

(a) Revaluation Surplus

The asset revaluation reserve records realised gains on revaluation of property, plant & equipment recorded at fair value.

(b) Oakden Building Reserve

This reserve records funds set aside for future expansion of Hands On SA Limited. During the previous year the Board established that there are no immediate plans to re-develop the Oakden Building and accordingly a reserve is no longer required for this purpose.

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | \$ | \$ |
| 14. ACCUMULATED FUNDS | | |
| Accumulated Funds at the Beginning of the Year | 10,449,714 | 10,249,395 |
| Surplus/(Deficit) for the Year | 179,168 | (399,681) |
| Transfer from Reserves | - | 600,000 |
| Accumulated Funds Acquired with Merger | 937,544 | - |
| Accumulated Funds at the End of the Year | <u>11,566,426</u> | <u>10,449,714</u> |
| 15. CASH FLOW INFORMATION | | |
| Cash and cash equivalents at the end of the year are reconciled as follow: | | |
| Cash at Bank & Cash On Hand | 498,520 | 832,912 |
| Term Deposits | 4,221,067 | 4,195,165 |
| | <u>4,719,587</u> | <u>5,028,077</u> |

16. RELATED PARTY TRANSACTIONS

The directors act in an honorary capacity and receive no compensation for their services other than reimbursement of expenses incurred in relation to their capacity as directors.

Transactions with key management personnel

The key management of the Company consists of the Chief Executive Officer and the Department Managers.

| | | |
|---|----------------|----------------|
| Total Key Management Personnel Remuneration | <u>666,196</u> | <u>376,180</u> |
|---|----------------|----------------|

The company paid \$7,500 to a Director for consulting services in relation to legal matters and merger activity.

17. MEMBERS GUARANTEE

Hands On SA Limited is a Company Limited by Guarantee & by its Memorandum and Articles of Association members' liability is restricted to \$50 per member. The company has 8 members (2017:9 members).

18. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

HANDS ON SA LIMITED
(a Company Limited by Guarantee)
DIRECTORS' DECLARATION

In the directors' opinion:

1. the attached financial statements and notes thereto comply with Australian Accounting Standards - Reduced Disclosure Requirements and give a true and fair view of the financial position of the Company as at 30 June 2018 and of its performance for the financial year ended on that date;
2. the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013; and
3. there are reasonable grounds to believe 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 made pursuant to section 60.15 (2) of the Australian Charities and Not-for-profit Commission Regulation 2013.



Mr. Sam Scammell
Chairman

17.10.18

Date