

Home Modifications Australia Limited

ABN 39 694 104 989

Annual Report - 30 June 2015

Home Modifications Australia Limited
Directors' report
30 June 2015

The directors' present their report, together with the financial statements, on the company for the year ended 30 June 2015.

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:

Agnes Anne Reeve (Appointed on 20 February 2015)
Bryan Gregory Molan (Appointed on 20 February 2015)
Shalla Thomas (Appointed on 20 February 2015)
Colin David Kjoller (Appointed on 20 February 2015)

Objectives

Home Modifications Australia (MOD.A) is the national body that represents home modification providers for the frail aged and people with disabilities. MOD.A previously operated as the NSW HMMS State Council for 20 years. Our members were providers of Home and Community Care (HACC) home modifications and maintenance services in NSW. With the national changes to disability and aged care programs, the NSW State Council has evolved to a national organisation to meet the challenges of a dynamic community care system.

The vision of Home Modifications Australia Ltd is to enhance Home Modification Service across Australia. Our Objectives are as follows:

- Contributing to policy that affects home modifications at all levels of government.
- Advocacy and lobbying for quality client outcomes and home modification support mechanisms.
- Providing best practice advice, information and resources.
- Consulting broadly amongst all home modification stakeholders.
- Building sector capacity and sustainability.
- Promoting partnerships and collaboration that enhance client outcome.
- Demonstrating and advocating for innovative and proactive supplier approaches that support quality client service and outcomes.

Strategy for achieving the objectives

To build sector capacity and to ensure responsiveness to reforms by the home modifications sector in Australia, MOD.A has identified a number of key strategic components to proceed with, these are;

- Broaden Membership
- Alliances and Partnerships
- Client Focus
- Advocacy, Policy and Lobbying
- Governance and Legal Structure

Principal activities

Home Modifications Australia is a foundation peak whose key focus is to build sector capacity from the ground level up. Such influence and implementation of Home Modifications vision is achieved through the implementation of industry training initiatives, resource development and quality assurance which is relevant to the house modification sector in Australia.

Additionally, Home Modifications Australia plays a pivotal role in representing and advocating on behalf of the Home Modification and Maintenance Services sector on reform issues.

Performance measures

The company measures its performance based on the quality of services it provides to people in order to assist them in developing an environment that maximises their individual independence and safety. The company also measures itself on the number of new grants obtained and the delivery of training services.

Home Modifications Australia Limited
Directors' report
30 June 2015

Information on directors

Name: Agnes Anne Reeve
Title: Non-Executive Chairperson
Qualifications: BA, Certificate in Human Resources
Experience and expertise: Anne is the CEO of Scope Home Access, a provider of home modifications and home maintenance services in the Illawarra and the Hunter regions of NSW, a position she has held for 18 years. Her extensive community service knowledge is backed by previous experience in business. Anne has extensive skills and expertise in governance. In addition to taking responsibility for MOD.A as its Chair since 2012, and overseeing its transformation to a national organisation, she is a longstanding Board member of the Illawarra Disability Trust.
Special responsibilities: Chair, member of the Executive.

Name: Bryan Gregory Molan
Title: Non-Executive Vice Chairperson
Qualifications: Diploma in Business Management, Licensed Builder (NSW)
Experience and expertise: Bryan is the Home Modifications and Maintenance Manager at 3Bridges Community Services in the south of Sydney NSW. Bryan is a licensed builder with more than 30 years of experience in the trade, including 8 years working exclusively in the area of home modifications and maintenance. Bryan has expertise in the aged and disability service sectors, in strategic planning and business management, as well as in sales, marketing and direct client communication. He is a member of the Home Modification Information Clearing House Advisory Group and the Housing Industry Association.
Special responsibilities: Vice-Chair and Acting Chair, member of the Executive.

Name: Shalla Thomas
Title: Non-Executive Director – Treasurer
Qualifications: Diploma Community Service, Cert IV Frontline Management, Cert IV Business Sales, Fellow Australian Institute of Company Directors.
Experience and expertise: Shalla is the CEO of Coffs Home Mods, a provider of home modifications and maintenance in the mid-north coast of NSW. Shalla has held this position for several years, and has 18 years of experience in the community service sector as a manager and CEO. In addition she has 15 years of experience of administration within the chartered accountants industry, and brings to the Board a wealth of experience and skills in financial management, human resources management, leadership and community development
Special responsibilities: Treasurer, member of the Executive.

Name: Colin David Kjoller
Title: Non-Executive Director – Secretary
Qualifications: Diploma of Business Management
Experience and expertise: Colin has worked in the Home Modification industry for the past 8 years. Prior to that Colin work within the disability supported employment industries. Both positions required strategic thinking and change management through industry changes with a high emphasis on preparing services for competitive competition in expanding markets.
Special responsibilities: Secretary, member of the Executive.

Company secretary

Colin David Kjoller has held the role of Company Secretary since February 2015. He has over 20 years of experience in the community services sector, and has served as Secretary for the previous NSW Home Modifications and Maintenance Services State Council.

Home Modifications Australia Limited
Directors' report
30 June 2015

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board		Executive Officers	
	Attended	Held	Attended	Held
Agnes Anne Reeve	3	3	2	2
Bryan Gregory Molan	3	3	2	2
Shalla Thomas	3	3	2	2
Colin David Kjoller	3	3	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Contributions on winding up

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting the any outstanding obligations of the company. As at 30 June 2015 the number of members was 51.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Agnes Anne Reeve
Director

3 November 2015
Sydney



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Australia

**DECLARATION OF INDEPENDENCE BY PAUL CHEESEMAN TO THE DIRECTORS OF HOME
MODIFICATIONS AUSTRALIA LIMITED**

As lead auditor of Home Modifications Australia Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'P. Cheeseman', is written over a light blue circular watermark that contains the word 'Cheeseman'.

Paul Cheeseman
Partner

BDO East Coast Partnership

Sydney, 3 November 2015

Home Modifications Australia Limited
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30 June 2015

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General information

The financial statements cover Home Modifications Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is Home Modifications Australia Limited's functional and presentation currency.

Home Modifications Australia Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 3 November 2015. The directors have the power to amend and reissue the financial statements.

Home Modifications Australia Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	3	1,058,699	521,255
Expenses			
Advertising and promotion		(11,011)	(16,629)
Professional fees		(166,729)	(104,973)
Project expenses		(139,669)	(252,486)
Employee benefits expense		(501,729)	(385,822)
Depreciation expense		(36,585)	(14,024)
Office expenses		(17,504)	(10,710)
Finance costs		(737)	(497)
Occupancy expenses		(70,658)	(73,236)
Event related expenses		(5,533)	(23,065)
Travel expenses		(43,123)	(36,116)
Other expenses		(65,421)	(69,568)
Deficit before income tax expense		-	(465,871)
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of Home Modifications Australia Limited	13	-	(465,871)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Home Modifications Australia Limited		-	(465,871)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Home Modifications Australia Limited
Statement of financial position
As at 30 June 2015

	Note	2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	5	1,476,478	2,337,601
Trade and other receivables	6	40,200	35,662
Other	7	21,839	18,155
Total current assets		<u>1,538,517</u>	<u>2,391,418</u>
Non-current assets			
Property, plant and equipment	8	<u>89,154</u>	<u>118,703</u>
Total non-current assets		<u>89,154</u>	<u>118,703</u>
Total assets		<u>1,627,671</u>	<u>2,510,121</u>
Liabilities			
Current liabilities			
Trade and other payables	9	25,536	63,159
Employee benefits	10	28,643	8,490
Deferred revenue	11	<u>718,339</u>	<u>1,583,319</u>
Total current liabilities		<u>772,518</u>	<u>1,654,968</u>
Non-current liabilities			
Employee benefits	12	<u>-</u>	<u>-</u>
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>772,518</u>	<u>1,654,968</u>
Net assets		<u>855,153</u>	<u>855,153</u>
Equity			
Retained surpluses	13	<u>855,153</u>	<u>855,153</u>
Total equity		<u>855,153</u>	<u>855,153</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Home Modifications Australia Limited
Statement of changes in equity
For the year ended 30 June 2015

	Retained surpluses \$	Total equity \$
Balance at 1 July 2013	1,321,024	1,321,024
Deficit after income tax expense for the year	(465,871)	(465,871)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(465,871)	(465,871)
Balance at 30 June 2014	<u>855,153</u>	<u>855,153</u>
	Retained surpluses \$	Total equity \$
Balance at 1 July 2014	855,153	855,153
Deficit after income tax expense for the year	-	(23,075)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	(23,075)
Balance at 30 June 2015	<u>855,153</u>	<u>832,076</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Home Modifications Australia Limited
Statement of cash flows
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		211,848	148,057
Payments to suppliers and employees (inclusive of GST)		<u>(1,129,821)</u>	<u>(1,014,639)</u>
		(917,973)	(866,582)
Interest received		<u>63,886</u>	<u>84,247</u>
Net cash used in operating activities		<u>(854,087)</u>	<u>(782,335)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(7,036)</u>	<u>(67,284)</u>
Net cash used in investing activities		<u>(7,036)</u>	<u>(67,284)</u>
Cash flows from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(861,123)	(849,619)
Cash and cash equivalents at the beginning of the financial year		<u>2,337,601</u>	<u>3,187,220</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>1,476,478</u></u>	<u><u>2,337,601</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

The company 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 or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

Revenue recognition

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

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

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

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Where grants are allocated over a specific time period, they are deferred until the required times period and held within individual fund accounts to ensure correct expenditure in line with the terms of the grants.

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.

Note 1. Significant accounting policies (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

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

Current and non-current classification

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Office Equipment	12.5% - 20%
Motor Vehicles	12.5%
Website	50%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

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

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

Note 1. Significant accounting policies (continued)

Trade and other payables

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

Employee 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 as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

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

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

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 is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

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

Employee benefits provision

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

Note 3. Revenue

	2015 \$	2014 \$
<i>Sales revenue</i>		
Grants	850,430	220,876
Membership fees	23,500	19,350
Training income	95,145	-
	<u>969,075</u>	<u>240,226</u>
<i>Other revenue</i>		
Donations	11,228	-
Interest	62,726	84,247
Project management fee	-	81,536
Resource	8,784	30
Conference	-	2,347
Other	6,886	112,869
	<u>89,624</u>	<u>281,029</u>
Revenue	<u><u>1,058,699</u></u>	<u><u>521,255</u></u>

Note 4. Expenses

	2015 \$	2014 \$
Surplus before income tax includes the following specific expenses:		
<i>Superannuation expense</i>		
superannuation contributions	<u>39,296</u>	<u>18,018</u>

Home Modifications Australia Limited
Notes to the financial statements
30 June 2015

Note 5. Current assets - cash and cash equivalents

	2015	2014
	\$	\$
Cash on hand	42	100
Cash at bank	259,476	105,157
Cash on deposit	1,216,960	2,232,344
	<u>1,476,478</u>	<u>2,337,601</u>

Note 6. Current assets - trade and other receivables

	2015	2014
	\$	\$
Trade receivables	47,835	19,705
Less: Provision for doubtful debts	(18,640)	(7,125)
Other debtors	1,409	-
BAS receivable	9,596	23,082
	<u>40,200</u>	<u>35,662</u>

Note 7. Current assets - other

	2015	2014
	\$	\$
Accrued revenue	6,193	7,353
Prepayments	15,646	10,802
	<u>21,839</u>	<u>18,155</u>

Home Modifications Australia Limited
Notes to the financial statements
30 June 2015

Note 8. Non-current assets - property, plant and equipment

	2015	2014
	\$	\$
Office equipment - at cost	21,616	21,616
Less: Accumulated depreciation	<u>(7,668)</u>	<u>(5,814)</u>
	<u>13,948</u>	<u>15,802</u>
Motor vehicles - at cost	60,107	59,093
Less: Accumulated depreciation	<u>(13,491)</u>	<u>(11,710)</u>
	<u>46,616</u>	<u>47,383</u>
Website - at cost	62,868	59,864
Less: Accumulated depreciation	<u>(34,278)</u>	<u>(4,346)</u>
	<u>28,590</u>	<u>55,518</u>
	<u><u>89,154</u></u>	<u><u>118,703</u></u>

Reconciliations

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

	Office equipment \$	Motor vehicles \$	Website \$	Total \$
Balance at 1 July 2014	15,802	47,383	55,518	118,703
Additions	-	25,168	3,003	28,171
Disposals	-	(21,135)	-	(21,135)
Depreciation expense	<u>(1,854)</u>	<u>(4,800)</u>	<u>(29,931)</u>	<u>(36,585)</u>
Balance at 30 June 2015	<u><u>13,948</u></u>	<u><u>46,616</u></u>	<u><u>28,590</u></u>	<u><u>89,154</u></u>

Note 9. Current liabilities - trade and other payables

	2015	2014
	\$	\$
Trade payables	2,163	30,082
PAYG withholding payable	632	13,472
Accrued expenses	17,971	860
Other payables	<u>4,770</u>	<u>18,745</u>
	<u><u>25,536</u></u>	<u><u>63,159</u></u>

Note 10. Current liabilities - employee benefits

	2015	2014
	\$	\$
Employee benefits	<u><u>28,643</u></u>	<u><u>8,490</u></u>

Home Modifications Australia Limited
Notes to the financial statements
30 June 2015

Note 11. Current liabilities – deferred revenue

	2015 \$	2014 \$
Core Fund	-	210,000
BTP Fund	138,863	261,214
OTB Fund	218	124,761
OTP Fund	106,364	285,721
OT2 Fund	50,403	250,000
QARP Fund	400,836	408,817
Energetica Fund	18,205	24,805
Membership fees received in advance	3,450	18,000
	<u>718,339</u>	<u>1,583,319</u>

Note 12. Non-current liabilities - employee benefits

	2015 \$	2014 \$
Employee benefits	<u>-</u>	<u>-</u>

Note 13. Equity - retained surpluses

	2015 \$	2014 \$
Retained surpluses at the beginning of the financial year	855,153	1,321,024
Deficit after income tax expense for the year	<u>-</u>	<u>(465,871)</u>
Retained surpluses at the end of the financial year	<u>855,153</u>	<u>855,153</u>

Note 14. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2015 \$	2014 \$
Key management personnel compensation	<u>118,101</u>	<u>33,332</u>

Note 15. Contingent liabilities

The company had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Note 16. Commitments

The company had no commitments for expenditure as at 30 June 2015 and 30 June 2014.

Note 17. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 14.

Transactions with related parties

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

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

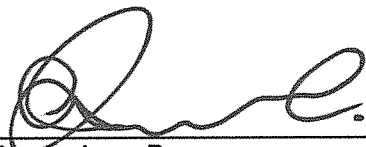
Home Modifications Australia Limited
Directors' declaration
30 June 2015

In the directors' opinion:

- the attached financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
- comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013); and
- give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to subsection 60.15(2) of the ACNC Regulation 2013

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Agnes Anne Reeve', is written over a horizontal line.

Agnes Anne Reeve
Director

3 November 2015
Sydney

INDEPENDENT AUDITOR'S REPORT

To the members of Home Modifications Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of Home Modifications Australia Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and 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 directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion the financial report of Home Modifications Australia Limited 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 company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

BDO East Coast Partnership

A handwritten signature in black ink that reads 'BDO'.

A handwritten signature in black ink that reads 'Paul Cheeseman'.

Paul Cheeseman
Partner

Sydney, 3 November 2015