

Adelaide Workers' Homes Incorporated

ABN 47 308 503 618

Financial Statements - 31 December 2020

Adelaide Workers' Homes Incorporated
Contents
For the year ended 31 December 2020

Trustees' report	2
Trustees' declaration	3
Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
Independent auditor's report to the members of Adelaide Workers' Homes Incorporated	16

**Adelaide Workers' Homes Incorporated
Trustees' report
For the year ended 31 December 2020**

The Trustees present their report, together with the financial statements, on the Association for the year ended 31 December 2020.

Committee members

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

K. Costello
R.J. Milner
R.J.F. Harley (Chairman)
A.C. Cudmore
G.W. Stephens
N.P. Simpson

Secretary

J.R. Hooper

Principal activities

The principal activity of the Association is to provide existing and former working people who are in financial need, with suitable accommodation at a reasonable rate of rental.

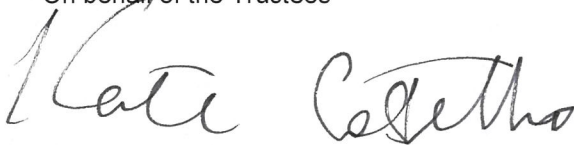
Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Association during the financial year.

Operating result

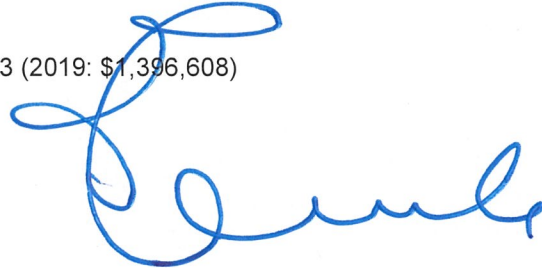
The surplus from ordinary activities amounted to \$1,242,963 (2019: \$1,396,608)

On behalf of the Trustees



K. Costello
Trustee

24 June 2021



R.J.F Harley
Trustee

**Adelaide Workers' Homes Incorporated
Trustees' declaration
For the year ended 31 December 2020**

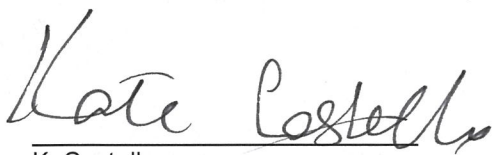
In the Trustees' opinion:

- the Association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and the Adelaide Workers' Homes Incorporated Act, 1933-2013;
- the attached financial statements and notes comply with the Accounting Standards as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Association's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.
- No officer of the Association, a firm to which the Officer is a member or a body corporate in which an Officer has a substantial financial interest has received a benefit as a result of a contract between the Officer, firm or body corporate and the Association.

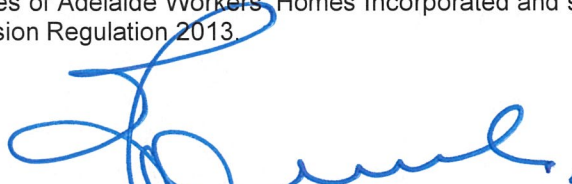
An Officer of the Association is a Principal of Jones Harley Toole, Barristers and Solicitors. During the year legal fees were paid to Jones Harley Toole, Barristers and Solicitors, in the ordinary course of business. An officer of the Association is also employed by HLB Mann Judd. During the year, secretarial fees were paid to HLB Mann Judd in the ordinary course of business.

Apart from these payments and the Secretary's remuneration paid in the ordinary course of business, no Officer of the Association has received, either directly or indirectly, any payment of a pecuniary nature.

Signed in accordance with a resolution of the Trustees of Adelaide Workers' Homes Incorporated and subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.



K. Costello
Trustee



R.J.F. Harley
Trustee

24 June 2021

Adelaide Workers' Homes Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue from operating activities	4	3,358,050	3,220,303
Other income	5	940,102	1,130,480
Interest income		217	850
Expenses			
Other expenses	6	(1,543,013)	(1,519,220)
Depreciation and amortisation expense		(611,754)	(497,983)
Finance costs		(900,639)	(937,822)
Surplus for the year	15	1,242,963	1,396,608
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(loss) on the revaluation of rental properties		-	(204,611)
Loss on disposal of rental properties		(27,026)	(166,225)
Other comprehensive income for the year		(27,026)	(370,836)
Total comprehensive income for the year		<u>1,215,937</u>	<u>1,025,772</u>

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

Adelaide Workers' Homes Incorporated
Statement of financial position
As at 31 December 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,105,644	803,813
Trade and other receivables	8	441,035	273,989
Other current assets	9	867,334	968,319
Total current assets		<u>2,414,013</u>	<u>2,046,121</u>
Non-current assets			
Rental properties	10	110,173,928	104,312,895
Property, plant and equipment		7	15
Total non-current assets		<u>110,173,935</u>	<u>104,312,910</u>
Total assets		<u>112,587,948</u>	<u>106,359,031</u>
Liabilities			
Current liabilities			
Trade and other payables	11	220,828	144,588
Borrowings	12	1,250,000	1,250,000
Other current liabilities	13	51,598	45,798
Total current liabilities		<u>1,522,426</u>	<u>1,440,386</u>
Non-current liabilities			
Borrowings	12	24,214,896	19,483,569
Total non-current liabilities		<u>24,214,896</u>	<u>19,483,569</u>
Total liabilities		<u>25,737,322</u>	<u>20,923,955</u>
Net assets		<u>86,850,626</u>	<u>85,435,076</u>
Equity			
Reserves	14	68,965,077	68,992,103
Retained surpluses	15	17,885,549	16,442,973
Total equity		<u>86,850,626</u>	<u>85,435,076</u>

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

Adelaide Workers' Homes Incorporated
Statement of changes in equity
For the year ended 31 December 2020

	Reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 January 2019	69,362,939	15,046,365	84,409,304
Surplus for the year	-	1,396,608	1,396,608
Other comprehensive income for the year	(370,836)	-	(370,836)
Total comprehensive income for the year	(370,836)	1,396,608	1,025,772
Balance at 31 December 2019	<u>68,992,103</u>	<u>16,442,973</u>	<u>85,435,076</u>
	Reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 January 2020	68,992,103	16,442,973	85,435,076
Adjustment for correction of error	-	199,613	199,613
Balance at 1 January 2020 - restated	68,992,103	16,642,586	85,634,689
Surplus for the year	-	1,242,963	1,242,963
Other comprehensive income for the year	(27,026)	-	(27,026)
Total comprehensive income for the year	(27,026)	1,242,963	1,215,937
Balance at 31 December 2020	<u>68,965,077</u>	<u>17,885,549</u>	<u>86,850,626</u>

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

Adelaide Workers' Homes Incorporated
Statement of cash flows
For the year ended 31 December 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		4,612,913	4,641,481
Payments to suppliers and employees (inclusive of GST)		<u>(1,642,182)</u>	<u>(1,321,821)</u>
		2,970,731	3,319,660
Interest received		217	850
Interest and other finance costs paid		<u>(900,639)</u>	<u>(937,822)</u>
Net cash from operating activities	20	<u>2,070,309</u>	<u>2,382,688</u>
Cash flows from investing activities			
Payments for development of rental properties		(7,339,805)	(7,629,076)
Proceeds from disposal of rental properties		<u>840,000</u>	<u>2,090,000</u>
Net cash used in investing activities		<u>(6,499,805)</u>	<u>(5,539,076)</u>
Cash flows from financing activities			
Proceeds from borrowings		6,750,312	5,916,121
Repayment of borrowings		<u>(2,018,985)</u>	<u>(2,027,872)</u>
Net cash from financing activities		<u>4,731,327</u>	<u>3,888,249</u>
Net increase in cash and cash equivalents		301,831	731,861
Cash and cash equivalents at the beginning of the financial year		<u>803,813</u>	<u>71,952</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>1,105,644</u></u>	<u><u>803,813</u></u>

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

Adelaide Workers' Homes Incorporated
Notes to the financial statements
For the year ended 31 December 2020

Note 1. General information

The financial statements cover Adelaide Workers' Homes Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Adelaide Workers' Homes Incorporated's functional and presentation currency.

Adelaide Workers' Homes Incorporated is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

169 Fullarton Road
Dulwich SA 5065

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

The financial statements were authorised for issue on 24 June 2021.

Note 2. 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 or amended Accounting Standards and Interpretations adopted

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the Trustees' opinion, the 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 purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012, the Adelaide Workers' Homes Incorporated Act (SA) 1933-2013 and associated regulations. The Trustees have determined that the accounting policies adopted are appropriate to meet the needs of the Members of Adelaide Workers' Homes Incorporated.

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 Australian Accounting Standards Board ('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 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention and on an accruals basis, except for, where applicable, the revaluation of rental properties.

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 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 3.

Revenue recognition

The Association recognises revenue as follows:

Rent

Rent revenue from rental properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Adelaide Workers' Homes Incorporated
Notes to the financial statements
For the year ended 31 December 2020

Note 2. Significant accounting policies (continued)

Government grants

The Association receives government grants under the National Rental Affordability Scheme.

Recognition of such grants as revenue is deferred until those conditions are satisfied as there are conditions attached to the grant which must be satisfied before the Group is eligible to receive the contribution.

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.

Other revenue

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

Income tax

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

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 allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Association recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Association's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Adelaide Workers' Homes Incorporated
Notes to the financial statements
For the year ended 31 December 2020

Note 2. Significant accounting policies (continued)

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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.

Rental property

Rental property is measured initially at cost, including expenditure directly attributable to the purchase of such property. After initial recognition, the Association applies the revaluation model in accordance with 'AASB 116: Property, Plant and Equipment' in respect of freehold land and buildings as is applicable to not-for-profit entities. Any increase or decrease in the assets' carrying amount as a result of revaluation is credited directly to equity under the asset revaluation (fair value) reserve.

Capital development costs in relation to properties held in the trust are measured at cost, less any impairment. Capital development costs are measured annually for impairment.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Association 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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

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.

Adelaide Workers' Homes Incorporated
Notes to the financial statements
For the year ended 31 December 2020

Note 3. 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.

Fair value measurement hierarchy

The Association is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Note 4. Revenue from operating activities

	2020 \$	2019 \$
Rental income	<u>3,358,050</u>	<u>3,220,303</u>

Note 5. Other income

	2020 \$	2019 \$
Government grants	<u>940,102</u>	<u>1,130,480</u>

Note 6. Other expenses

	2020 \$	2019 \$
Consulting fees	505,944	494,391
Gardening	12,912	30,047
Insurance	102,624	93,893
Rates and taxes	435,741	470,095
Repairs and maintenance	241,225	213,460
Other expenses	<u>244,567</u>	<u>217,334</u>
	<u>1,543,013</u>	<u>1,519,220</u>

Note 7. Cash and cash equivalents

	2020 \$	2019 \$
<i>Current assets</i>		
Cash at bank and on hand	<u>1,105,644</u>	<u>803,813</u>

Adelaide Workers' Homes Incorporated
Notes to the financial statements
For the year ended 31 December 2020

Note 8. Trade and other receivables

	2020 \$	2019 \$
<i>Current assets</i>		
Rental income in arrears	108,260	117,790
Goods & Services Tax receivable	317,435	138,971
Other receivables	15,340	17,228
	<u>441,035</u>	<u>273,989</u>

Rental income in arrears is non-interest bearing. An allowance for expected credit losses is made when there is objective evidence that an arrears balance is impaired.

Note 9. Other current assets

	2020 \$	2019 \$
<i>Current assets</i>		
Accrued revenue	578,197	675,287
Prepayments	289,137	293,032
	<u>867,334</u>	<u>968,319</u>

Note 10. Rental properties

	2020 \$	2019 \$
<i>Non-current assets</i>		
Freehold land at fair value	56,319,000	56,813,000
Capital works in progress	9,100,432	1,800,165
Buildings at fair value	32,863,000	33,209,000
Less: Accumulated depreciation	(877,043)	(443,477)
	<u>31,985,957</u>	<u>32,765,523</u>
Buildings - at cost	12,984,327	12,976,871
Less: Accumulated depreciation	(215,788)	(42,664)
	<u>12,768,539</u>	<u>12,934,207</u>
	<u>110,173,928</u>	<u>104,312,895</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	104,312,895	99,642,622
Additions	7,307,723	7,482,867
Disposals	(840,000)	(2,110,000)
Revaluation decrements	-	(204,611)
Depreciation expense	(606,690)	(497,983)
Closing fair value	<u>110,173,928</u>	<u>104,312,895</u>

Adelaide Workers' Homes Incorporated
Notes to the financial statements
For the year ended 31 December 2020

Note 14. Reserves

	2020	2019
	\$	\$
Revaluation surplus reserve	68,958,363	68,985,389
General reserve	6,714	6,714
	<u>68,965,077</u>	<u>68,992,103</u>

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Revaluation surplus reserve \$	General reserve \$	Total \$
Balance at 1 January 2019	69,356,225	6,714	69,362,939
Net revaluation decrement	(204,611)	-	(204,611)
Loss on disposal of rental properties	(166,225)	-	(166,225)
	<u>68,985,389</u>	<u>6,714</u>	<u>68,992,103</u>
Balance at 31 December 2019	68,985,389	6,714	68,992,103
Loss on disposal of rental properties	(27,026)	-	(27,026)
	<u>68,958,363</u>	<u>6,714</u>	<u>68,965,077</u>

Note 15. Retained surpluses

	2020	2019
	\$	\$
Retained surpluses at the beginning of the financial year	16,442,973	15,046,365
Adjustment for correction of error	199,613	-
	<u>16,642,586</u>	<u>15,046,365</u>
Retained surpluses at the beginning of the financial year - restated	16,642,586	15,046,365
Surplus for the year	1,242,963	1,396,608
	<u>17,885,549</u>	<u>16,442,973</u>

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Association:

	2020	2019
	\$	\$
<i>Audit services - William Buck</i>		
Audit of the financial statements	<u>11,500</u>	<u>11,200</u>

Adelaide Workers' Homes Incorporated
Notes to the financial statements
For the year ended 31 December 2020

Note 17. Commitments for expenditure

During the year ended 31 December 2020 the Association incurred building costs of \$9,100,432 relating to the re-development of land at Elder Estate project (2019: \$1,800,165). Expenditure incurred during the reporting period has been capitalised as Capital Works in Progress.

Subsequent to year-end and up until the date of this report, expenditures totalling \$2,104,545 (inclusive of GST) were incurred in relation to the re-development of the Stage E Elder Estate site. Estimated costs remaining to complete the project are \$57,125 (inclusive of GST).

Note 18. Economic dependency

The Association is dependent upon grants from the Federal and State Governments under the National Rental Affordability Scheme in order to fund its debt reduction strategy. At the date of this report, the Trustees have no reason to believe the Federal and State Governments will not continue to support the Association.

Note 19. Events after the reporting period

Sale of property

On the 15th of April 2021 a contract was executed for the sale of 4/31 Henley Beach Road for \$470,000. Settlement is expected to occur on the 14th of May 2021.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Note 20. Cash flow information

Reconciliation of surplus to net cash from operating activities

	2020	2019
	\$	\$
Surplus for the year	1,242,963	1,396,608
Adjustments for:		
Depreciation and amortisation	611,754	497,983
Adjustment to retained earnings	199,613	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(167,046)	149,213
Decrease in accrued revenue	97,090	324,543
Decrease/(increase) in prepayments	3,895	(99,700)
Increase in trade and other payables	76,240	110,116
Increase in other operating liabilities	5,800	3,925
Net cash from operating activities	<u>2,070,309</u>	<u>2,382,688</u>

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012 TO THE TRUSTEES OF ADELAIDE WORKERS' HOMES INCORPORATED

I declare that, to the best of my knowledge and belief during the year ended 31 December 2020 there have been:

- 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
- no contraventions of any applicable code of professional conduct in relation to the audit.



William Buck
ABN 38 280 203 274



G. W. Martinella
Director

Dated this 24th day of June, 2021

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

ADELAIDE WORKERS' HOMES INCORPORATED

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Adelaide Workers' Homes Incorporated (the Association), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and statement by trustees.

In our opinion the financial report of Adelaide Workers' Homes Incorporated has been prepared in accordance with *Adelaide Workers' Homes Incorporated Act, 1933-2013* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of Adelaide Workers' Homes Incorporated financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Adelaide Workers' Homes Incorporated to meet the requirements of the ACNC Act and the *Adelaide Workers' Homes Incorporated Act, 1933-2013*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000

GPO Box 11050
Adelaide SA 5001

Telephone: +61 8 8409 4333

williambuck.com

Responsibilities of Trustees and Those Charged with Governance for the Financial Report

The trustees of Adelaide Workers' Homes Incorporated are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the ACNC Act and *Adelaide Workers' Homes Incorporated Act, 1933-2013* and the needs of the members. The trustees' responsibility also includes such internal control as the trustees 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.

In preparing the financial report, the trustees are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.



William Buck
ABN 38 280 203 274



G.W. Martinella

Director

Dated this 24th day of June 2021