

DEVONFIELD ENTERPRISES INC.
ABN 48 154 912 044
Financial Report
For the year ended 30 June 2018

DEVONFIELD ENTERPRISES INC.

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DEVONFIELD ENTERPRISES INC.

BOARD OF MANAGEMENT REPORT

Your Board of Management submit herewith the annual financial statements of the Devonfield Enterprises Inc. (the "Association") for the year ended 30 June 2018 in order to comply with the provisions of the *Australian Charities and Not-for-profits Commission Act 2012* .

Board Management

The names of the Board who held office at any time during or since the end of the year are as follows:

Elizabeth Campbell (Board Chair)
Kathleen Keating (Vice Chair)
Neil Wilkinson (Secretary)
John Blyth
Stephen Daley
Kay Denman
Geoffrey Lidgerwood
Garth Murphy

The above-named Board of Management were in office for the entire period unless otherwise stated.

Principal activities

The principal activity of the Association during the financial year was the provision of:

- Social enterprises for work
- Community access services - Residential services

Results of operations

The result of the operations was a operating loss of \$441,208 (2017: operating loss of \$471,582)

Changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

Future developments

The Association plans to continue with the execution of its principle activities as noted above in the foreseeable future.

Subsequent events

At the date of this report, there were no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial

Indemnification of officers and auditors

The Association has not, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Association against a liability incurred as such an officer or auditor.

Auditor's independence declaration

The auditor's independence declaration is included on page 4.

Signed in accordance with a resolution of the Board of Management made pursuant to s60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013* .



Elizabeth Campbell (Board Chair)

Devonport, 26 Feb 2019

27 February 2019

The Board of Directors
Devonfield Enterprises Inc.
133 Middle Road
Devonport, TAS 7310

Dear Board Members

Devonfield Enterprises Inc.

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the members of Devonfield Enterprises Inc.

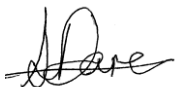
As lead audit partner for the audit of the financial statements of Devonfield Enterprises Inc. for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



S Dare
Partner
Chartered Accountants

DEVONFIELD ENTERPRISES INC.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Sales		1,155,567	1,233,627
Fees received		4,092,296	2,422,143
Operational subsidies and grants		7,618,321	7,458,036
Other income	3 (a)	461,834	449,989
Communication and computer expenses		(179,019)	(160,155)
Depreciation expense	3 (b)	(212,215)	(242,248)
Employment expenses		(11,351,559)	(9,596,813)
Insurance expense		(109,619)	(105,375)
Materials and factory expenses		(639,637)	(736,772)
Occupancy expenses		(855,908)	(883,550)
Other expenses		(384,564)	(212,773)
Transport and vehicle expense		(157,086)	(185,060)
Operating income		(561,589)	(558,951)
Investment income		71,557	73,432
Bequests and donations		48,824	13,937
Non-operating income		120,381	87,369
Loss for the year		(441,208)	(471,582)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		(441,208)	(471,582)

The above Statement of Comprehensive Income is to be read in conjunction with the attached notes.

DEVONFIELD ENTERPRISES INC.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	955,665	2,944,728
Trade and other receivables	5	1,322,200	574,039
Inventories	6	17,384	27,637
Total Current Assets		2,295,249	3,546,404
Non-Current Assets			
Financial assets	7	231	231
Property, plant and equipment	8	3,145,934	3,318,691
Total Non-Current Assets		3,146,165	3,318,922
TOTAL ASSETS		5,441,414	6,865,326
LIABILITIES			
Current Liabilities			
Trade and other payables	9	1,322,314	882,602
Unexpended grants funding	10	6,473	1,326,614
Provisions	11	743,182	836,848
Total Current Liabilities		2,071,969	3,046,064
Non-Current Liabilities			
Provisions	11	211,860	220,469
Total Non-Current Liabilities		211,860	220,469
TOTAL LIABILITIES		2,283,829	3,266,533
NET ASSETS		3,157,585	3,598,793
EQUITY			
Retained earnings		2,398,889	2,840,097
Asset revaluation reserve	12	758,696	758,696
TOTAL EQUITY		3,157,585	3,598,793

The above Statement of Financial Position is to be read in conjunction with the attached notes.

DEVONFIELD ENTERPRISES INC.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Retained earnings	Asset revaluation reserve	Total
Balance as at 1 July 2016	4,638,293	758,696	5,396,989
Loss for the year	(471,582)	-	(471,582)
Unexpended grants	(1,326,614)	-	(1,326,614)
Other comprehensive income for the year	-	-	-
Balance as at 30 June 2017	2,840,097	758,696	3,598,793
Loss for the year	(441,208)	-	(441,208)
Other comprehensive income for the year	-	-	-
Balance as at 30 June 2018	2,398,889	758,696	3,157,585
Notes			

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

DEVONFIELD ENTERPRISES INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	<i>Notes</i>	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		11,446,546	11,601,621
Payments to suppliers and employees		(13,445,259)	(11,715,212)
Net cash provided by operating activities	4 (b)	(1,998,713)	(113,591)
Cash flows from investing activities			
Interest received		40,069	36,407
Purchase of property, plant and equipment		(64,355)	(86,405)
Proceeds from sale of property, plant and equipment		33,936	18,679
Net cash used in investing activities		9,650	(31,319)
Net change in cash and cash equivalents		(1,989,063)	(144,910)
Cash and cash equivalents at the beginning of the year		2,944,728	3,089,638
Cash and cash equivalents at the end of the year	4 (a)	955,665	2,944,728

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes

DEVONFIELD ENTERPRISES INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 GENERAL INFORMATION

Devonfield Enterprises Inc. is an Incorporated Association, incorporated and operating in Tasmania.

Registered Office	Principal place of business
133 Middle Road Devonport TAS 7310 Australia	133 Middle Road Devonport TAS 7310 Australia

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of the Association have been drawn up as a special purpose financial report for distribution to the members and for the purpose of fulfilling the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 (Cth).

At a minimum, preparers of Special Purpose Financial Statements in accordance with this Act are required to comply with the following Australian Accounting Standards:

- 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
- AASB 1054 - Australian Additional Disclosures.

The Association has complied with the above Standards and also the basis of accounting specified by the remaining Australian Accounting Standards, unless specified below.

(b) Basis of Preparation

The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars, which is the Association's functional currency. The financial report is prepared on the historical cost basis except where stated, it does not take into account changing money values or current valuations of non-current assets.

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

DEVONFIELD ENTERPRISES INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised accounting standards

New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Association has applied a number of amendments to Australian Accounting Standards Issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 June 2017.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Association include:

- AASB 1048 *Interpretation of Standards*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016*

There was no impact on the amounts recorded or disclosures made in regards to these new and revised standards.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for periods beginning on or after	Expected to be initially applied in the period ending
<i>AASB 15 'Revenue from Contracts with Customers'</i>	1-Jan-18	30-Jun-19
<i>AASB 16 'Leases'</i>	1-Jan-19	30-Jun-20
<i>AASB 1058 'Income for Not-for-profit Entities'</i>	1-Jan-19	30-Jun-20
<i>AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities</i>	1-Jan-19	30-Jun-20
<i>AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</i>	1-Jan-19	30-Jun-20

The potential effect of the revised Standards/Interpretations on the company's financial statements has not yet been determined.

(d) Cash and 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position, if any.

(e) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

Collectability of other receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Association will not be able to collect the receivable.

DEVONFIELD ENTERPRISES INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) When the GST incurred on purchases of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- (ii) Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial performance.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(h) Impairment of tangible and intangible assets

At each reporting date, the association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

DEVONFIELD ENTERPRISES INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(j) Property, plant and equipment

Land, buildings, capital works in progress, plant and equipment and mining property are measured at cost.

Depreciation is provided on plant and equipment, including freehold buildings but excluding land and capital works in progress. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

Land	Not depreciated
Buildings (and improvements)	10 – 40 years
Plant and equipment	5 – 8 years
Information / communication technology	2 – 3 years
Motor vehicles	3 – 5 years

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(l) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

- Revenue from the sale of goods and the rendering of services is recognised up to the delivery of the goods or performance of the service to the customer.
- Grant revenue is recognised in the income statements when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes, it is recognised in the balance sheet as a liability until such time that the conditions of the grant funding have been met.
- Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.
- Interest revenue from investments is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.
- All revenue is stated net of the amount of goods and services tax (GST) where applicable.

DEVONFIELD ENTERPRISES INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Unexpended grants

The Entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grant monies as unexpended grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant monies are received or in the case of specific project grants, where the project has not been completed.

(n) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid and arise when the Association becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Employee benefits

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(i) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits are recognised and measured as the amount unpaid at reporting date and include appropriate on costs.

(ii) Annual leave

Annual leave entitlements are accrued on a pro-rata basis in respect of services provided by employees up to reporting date, Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate on-costs, expected to be paid when settled. Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements.

(iii) Long service leave

The liability for long service leave expected to be settled more than 12 months from the balance date is recognised in the provision for employee benefits and measured as the present value of expected payments to be made in respect of services provided by employees up to the balance date. Consideration is given to the expected future wage and salary levels, past experience of employee departures and periods of service. Expected future payments are discounted using market yields at the balance date on corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows

DEVONFIELD ENTERPRISES INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described above, management are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Impairment of assets

The Entity assess impairment at each reporting date by evaluating the conditions specific to the Entity that may lead to impairment of assets. Where an impairment indicator exists, the recoverable amount the asset is determined. Fair value less costs to sell or current replacement costs calculations are performed in assessing the recoverable amounts incorporate a number of key estimates which can materially impact the value of the asset.

(q) Going concern and economic dependence

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Entity is dependent on the Department of Health and Human Services, Department of Social Services and the National Disability Insurance Scheme for the majority of its revenue used to operate the business. At the date of this report the board of management has no reason to believe that the aforementioned departments will not continue such support.

DEVONFIELD ENTERPRISES INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
3 INCOME AND EXPENSES		
(a) Other income		
Profit on sale of fixed assets	9,039	101,994
Sundry income	452,795	347,995
Total Other income	461,834	449,989
(b) Depreciation expense		
Depreciation	212,215	242,248
4 CASH AND CASH EQUIVALENTS		
(a) Cash at bank	944,065	1,613,809
Short term deposits	-	1,319,619
Cash on hand	11,600	11,300
	955,665	2,944,728
(b) Reconciliation of profit for the period to net cash flows from operating activities:		
Loss for the year	(441,208)	(471,582)
Non cash items		
Gain on disposal of property, plant and equipment	(9,039)	(747)
Depreciation and amortisation of non-current assets	212,215	236,073
Recognition of grant funding	(1,320,141)	-
Interest Income Received	(40,069)	(36,408)
(Increase) / decrease in assets:		
Trade receivables	(748,161)	(5,476)
Current inventories	10,253	35,042
Increase / (decrease) in liabilities:		
Trade Payables	439,712	(96,779)
Provisions	(102,275)	226,286
Net cash used in operating activities	(1,998,713)	(113,591)
5 TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	1,322,200	617,782
Provision for impairment	-	(43,743)
	1,322,200	574,039

DEVONFIELD ENTERPRISES INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$		
6 INVENTORIES				
Raw materials and stores	14,137	21,392		
Finished goods	3,247	6,245		
	<u>17,384</u>	<u>27,637</u>		
7 FINANCIAL ASSETS				
Shares in listed corporations, at cost	<u>231</u>	<u>231</u>		
8 PROPERTY, PLANT AND EQUIPMENT				
	Land at cost	Buildings at fair value	Plant and equipment	Total
Gross carrying amount				
Balance at 1 July 2016	<u>823,483</u>	<u>3,930,827</u>	<u>1,836,707</u>	<u>6,591,017</u>
Additions	-	10,065	76,340	86,405
Disposals	-	-	(55,634)	(55,634)
Balance at 30 June 2017	<u>823,483</u>	<u>3,940,892</u>	<u>1,857,413</u>	<u>6,621,788</u>
Additions	-	-	64,355	64,355
Disposals	-	-	(97,125)	(97,125)
Balance at 30 June 2018	<u>823,483</u>	<u>3,940,892</u>	<u>1,824,643</u>	<u>6,589,018</u>
Accumulated depreciation and impairments				
Balance at 1 July 2016	-	(2,067,345)	(1,037,379)	(3,104,724)
Disposals	-	-	37,699	37,699
Depreciation	-	(69,879)	(166,193)	(236,072)
Balance at 30 June 2017	-	(2,137,224)	(1,165,873)	(3,303,097)
Disposals	-	-	72,228	72,228
Depreciation	-	(67,637)	(144,578)	(212,215)
Balance at 30 June 2018	-	(2,204,861)	(1,238,223)	(3,443,084)
Net book value				
At 30 June 2017	<u>823,483</u>	<u>1,803,668</u>	<u>691,540</u>	<u>3,318,691</u>
At 30 June 2018	<u>823,483</u>	<u>1,736,031</u>	<u>586,420</u>	<u>3,145,934</u>

DEVONFIELD ENTERPRISES INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
9 TRADE AND OTHER PAYABLES		
Trade payables	223,237	229,294
Other payables	20,164	22,711
Accrued backpay ¹	370,983	-
Client funds	213,756	73,645
GST and PAYGW	150,701	176,376
Employee benefits	343,473	380,576
	<u>1,322,314</u>	<u>882,602</u>
<p>¹During the 2018 financial year it was identified that employees paid in accordance with the social and community services award rate (SCHADS), had been incorrectly paid during the period 1 July 2013 to 30 June 2018. The Association has included an accrual for backpay in the current year in respect of this liability.</p>		
10 UNEXPENDED GRANT FUNDING		
Unexpended grant funding	<u>6,473</u>	<u>1,326,614</u>
11 PROVISIONS		
Current		
Employee entitlements - Annual leave	260,787	337,925
Employee entitlements - Long service leave	482,395	498,923
	<u>743,182</u>	<u>836,848</u>
Non-current		
Employee entitlements - Long service leave	<u>211,860</u>	<u>220,469</u>
12 ASSET REVALUATION RESERVE		
Balance at the end of the year	<u>758,696</u>	<u>758,696</u>
13 COMMITMENTS AND CONTINGENCIES		
<p>The Association had committed to expenditure of \$Nil for plant and equipment as at 30 June 2018 (2017: \$Nil).</p> <p>There were no material capital expenditure or other material commitments not provided for in the financial statements other than to cover normal operating costs.</p> <p>There are no contingent liabilities at the end of the financial year.</p>		
14 AUDITOR'S REMUNERATION		
Audit of the financial report	16,655	16,217
Other services	-	-
	<u>16,655</u>	<u>16,217</u>

The auditor of Devonfield Enterprises Inc. is Deloitte Touché Tohmatsu for the year ending 30 June 2018 (previously Don Willing and Associates Pty Ltd for the year ending 30 June 2017)

DEVONFIELD ENTERPRISES INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

15 SUBSEQUENT EVENTS

At the date of this report, there were no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may affect the operations of the Association, the result of those operations or the state of affairs of the Association, in future financial years.

DEVONFIELD ENTERPRISES INC.

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management of the Association declare that:

- 1 The financial statements and notes thereto, as set out on pages 5 to 18, are in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (a) complying with Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2, and the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
 - (b) giving a true and fair view of the Associations' financial position as at 30 June 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.
- 2 In the Board of Managements opinion there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Management made pursuant to s60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Elizabeth Campbell (Board Chair)

Devonport, 15/12 2019

Independent Auditor's Report to the Members of Devonfield Enterprises Inc.

Opinion

We have audited the financial report, being a special purpose financial report of Devonfield Enterprises Inc. (the "Entity") which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Board of Management Declaration.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) 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 Entity in accordance with the auditor independence requirements of the 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 for the purpose of fulfilling the Board Members' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Board Members are responsible for the other information. The other information comprises the information included in the Entity's Board of Management Report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Management for the Financial Report

The Board Members of the Entity is 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 the needs of the Members. The Board Members' responsibility also includes such internal control as the Board Members 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 Board Members is responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

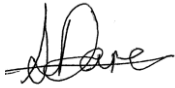
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

Deloitte.

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'A. Dave'.

Partner
Chartered Accountants
Launceston, 27 February 2019