



South
Australia

FINANCIAL REPORT

2023 - 2024



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General Information

The financial report covers Meals on Wheels (SA) Incorporated (ARBN 667 048 464, incorporated in South Australia, members liability limited ABN 76 069 457 196) as an individual entity. The financial report is presented in Australian dollars, which is the functional and presentation currency of Meals on Wheels (SA) Incorporated.

The financial report consists of the financial statements, notes to the financial statements and the Declaration by the Board of the Association.

The financial report was authorised for issue on 18 September 2024.



AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-C SECTION 60-40 OF AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

To the Members of *Members of Meals on Wheels (SA) Incorporated*

As the lead audit partner for the audit of the financial report for the year ended 30 June 2024, 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.

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Corey McGowan
Director

Adelaide, South Australia
18 September 2024

hlb.com.au

HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

169 Fullarton Road, Dulwich SA 5065 | PO Box 377, Kent Town SA 5071

T: +61 (0)8 8133 5000 | F: +61 (0)8 8431 3502 | E: reception@hlbsa.com.au

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	3	25,130,582	22,900,472
Other Income	4	814,104	713,135
Ingredients & Consumables	5	(7,958,954)	(7,813,036)
Other Operating Expenses	6	(4,441,510)	(3,901,710)
Employee Benefits Expenses	14.1	(9,501,218)	(7,810,517)
Depreciation & Amortisation		(1,317,730)	(1,378,968)
Central & Branch Office Expenses	7	(2,862,198)	(2,445,206)
Gain/(Loss) on Disposal of Property, Plant & Equipment		26,375	(74,430)
Gain/(Loss) from Remeasuring Financial Assets at Fair Value	9	781,105	352,987
NET SURPLUS FOR THE YEAR		670,556	542,727
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		670,556	542,727

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 30 June 2024

		2024	2023
	Note	\$	\$
CURRENT ASSETS			
Cash & Cash Equivalents	8	5,743,323	4,614,171
Trade & Other Receivables	10	1,538,562	1,492,878
Inventories		6,440	9,112
Other Assets	11	298,929	155,587
TOTAL CURRENT ASSETS		7,587,254	6,271,748
NON CURRENT ASSETS			
Property, Plant & Equipment	12	27,343,374	28,364,895
Financial Assets	9	10,524,407	9,385,463
TOTAL NON CURRENT ASSETS		37,867,781	37,750,358
TOTAL ASSETS		45,455,035	44,022,106
CURRENT LIABILITIES			
Trade & Other Payables	13	1,410,450	766,166
Provisions	14.2	1,328,525	1,181,829
Other Liabilities	15	-	58,210
TOTAL CURRENT LIABILITIES		2,738,975	2,006,205
NON CURRENT LIABILITIES			
Provisions	14.2	82,092	52,491
TOTAL NON CURRENT LIABILITIES		82,092	52,491
TOTAL LIABILITIES		2,821,067	2,058,696
NET ASSETS		42,633,968	41,963,410
EQUITY			
Retained Surplus		39,756,484	39,085,926
Asset Revaluation Reserve	16	2,877,484	2,877,484
TOTAL EQUITY		42,633,968	41,963,410

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2024

	ASSET REVALUATION RESERVE	RETAINED SURPLUS	TOTAL EQUITY
	\$	\$	\$
BALANCE AT 1 JULY 2022	2,877,484	38,543,199	41,420,683
Other Comprehensive Income	-	-	-
Net Surplus for the Year	-	542,727	542,727
BALANCE AT 30 JUNE 2023	2,877,484	39,085,926	41,963,410
BALANCE AT 1 JULY 2022	2,877,484	39,085,928*	41,963,412*
Other Comprehensive Income	-	-	-
Net Surplus for the Year	-	670,556	670,556
BALANCE AT 30 JUNE 2024	2,877,484	39,756,484	42,633,968

*Minor rounding adjustment required

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2024

		2024	2023
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from:			
Customer Contributions		10,165,939	10,430,998
Government		14,826,345	11,898,955
Donations & Other Grants		144,025	228,568
Interest		227,084	53,894
Other Sources		98,906	188,348
		25,462,299	22,800,763
Payments for:			
Meal Production & Distribution Costs		(11,745,141)	(11,472,949)
Employment Costs		(9,290,158)	(7,754,044)
Other Costs		(3,015,170)	(2,341,973)
		(24,050,469)	(21,568,936)
NET CASH FLOWS FROM OPERATING ACTIVITIES		1,411,830	1,231,827
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of Financial Assets		(12,845)	-
Proceeds from Disposal of Property, Plant & Equipment		29,301	36,257
Acquisition of Plant & Equipment		(299,134)	(1,100,611)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(282,678)	(1,064,354)
NET INCREASE IN CASH & CASH EQUIVALENTS		1,129,152	167,473
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		4,614,171	4,446,698
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	8	5,743,323	4,614,171

The accompanying notes form part of these financial statements



Notes to the Financial Statements

For the year ended 30 June 2024

1. ASSOCIATION INFORMATION

Meals on Wheels (SA) Incorporated (Association) is an Association incorporated in South Australia under the Associations Incorporation Act 1985 (SA) and is a registered charity with the Australian Charities and Not-for-Profits Commission. The Association is also a registered Australian body.

The Association's primary activities are to provide support to members of the community to live well by providing food services, creating social connections and promoting well-being.

These services are provided through the Association's volunteer workforce which helps strengthen communities.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies that are material to the Association 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 the AASB 2021-6 - Disclosure of Accounting Policies: Tier 2 and other Australian Accounting Standards from 1 July 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies and whilst this did not change the accounting policies themselves, it has impacted the accounting policy information disclosed in the financial statements. This has assisted the entity in providing useful and entity-specific policy information to users of the financial statements.

a. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities, except for the cash flow information. The amounts presented in the financial statements have been rounded to the nearest dollar.

b. Fair Value of Assets & Liabilities

The Association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

b. Fair Value of Assets & Liabilities (cont.)

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market value may be made having regard to the characteristics of the specific asset or liability.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the Association at the reporting date.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

c. Significant Accounting Judgement, Estimates & Assumptions

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful Lives of Depreciable Assets

The estimates of the useful lives of depreciable assets are reviewed annually based on the expected utility of the assets. The long-term nature of the freehold buildings create an uncertainty over the number of years the Association will have use of these assets for the purposes of calculating the annual depreciation and amortisation.

d. Income Tax

The Association is exempt from income tax pursuant to the Income Tax Assessment Act 1997.

e. Revenue Recognition

The Association recognises revenue as follows:

Contributions from Customers

Revenue from the sale of meals and provision of other services is recognised at the point of delivery as this corresponds to when the Association satisfies its performance obligations by transferring control of the assets to the customer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

e. Revenue Recognition (cont.)

Federal, State & Other Grants

Government and other grants are recognised as follows:

- a grant that does not impose specific future performance obligations on the Association is recognised as revenue the earlier of when the grant proceeds are received or receivable;
- a grant that imposes specific future performance obligations on the Association is recognised as revenue only when the performance obligations are met; and
- a grant received before the revenue recognition criteria are satisfied, is recognised as a liability.

All grants to which the Association was party to during the current and previous reporting period imposed specific future performance obligations upon the Association, such as under the Commonwealth Home Support Program to provide frail, older people with access to meals and other services, and under the South Australian Statewide Services program to improve food security for people aged under 65 who are unable to prepare meals and are ineligible for other government programs.

The Association recognises liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position.

Donations & Legacies

Donations and legacies are recognised when received.

Investment Income

Interest income is recognised on an accrual basis using the effective interest method. Dividend income is recognised at the time the right to receive payment is established.

f. Inventories

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

g. Property, Plant & Equipment

Basis of measurement of carrying amount

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Any property, plant and equipment donated to the Association or acquired for nominal cost is recognised at fair value at the date the Association obtains control of the asset.

Revaluation of Freehold Land & Buildings

Following initial recognition at cost, freehold land and buildings are then carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses. Fair value is the amount 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. Fair values are confirmed by independent valuations which are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the reporting date. Board valuations are used if an independent valuation does not take place during an annual reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

g. Property, Plant & Equipment (cont.)

Freehold land and buildings are treated as a class of assets. When the carrying amount of this class of assets is increased as a result of a revaluation, the increase is credited directly to the revaluation reserve and other comprehensive income, except where it reverses a revaluation decrement previously recognised in the statement of profit or loss, in which case it is credited to the operating surplus shown in that statement. When the carrying amount of land and buildings is decreased as a result of a revaluation, the decrease is recognised in the statement of profit or loss, except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

Impairment

At each reporting date, the Board reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss.

Depreciation

Items of property, plant and equipment (other than land) are depreciated over their useful lives commencing from the time the asset is held ready for use. Depreciation is calculated on a straight-line basis over the expected useful economic lives of the assets as follows:

Plant, Fixtures and Fittings	2.5% - 20%
Office Equipment	20% - 33%
Motor Vehicles	25%
Freehold Buildings	2.5% - 10%

Leasehold Improvements

Leasehold improvements are amortised over 15 years, where it is the Board's expectation that the associated lease term will be 15 years or greater. Leasehold improvements include refurbishments to buildings being leased by the Association

h. Employee Entitlements Short-Term Employee Benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-Term Employee Benefits

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

i. Financial Instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- a. amortised cost;
- b. fair value through other comprehensive income (FVOCI); or
- c. fair value through profit or loss (FVTPL).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or other income, except for impairment of trade receivables which is presented within other expenses.

Subsequent Measurement of Financial Assets

Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and) are not designated as FVTPL:

- a. they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- b. the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's term deposits, cash and cash equivalents, as well as trade and most other receivables fall into this category of financial instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

i. Financial Instruments (cont.)

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

The Association accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is “hold to collect” the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at fair value, with adjustments to fair value recorded through Other Comprehensive Income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit and loss.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists

Derecognition of Financial Assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Association no longer controls the asset (ie has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Association elected to classify under the fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the financial asset revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

i. Financial Instruments (cont.)

Impairment

The Association recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Association uses the following approaches to impairment, as applicable under AASB 9 - Financial Instruments:

- the general approach; and
- the simplified approach.

General Approach

This approach is applicable to trade receivables.

Under the general approach, at each reporting period, the Association assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Association measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the Association measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Recognition of Expected Credit Losses in Financial Statements

At each reporting date, the Association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

Classification and Measurement of Financial Liabilities

Financial Liabilities

Financial liabilities consist of trade and other payables which are initially measured at fair value, and, where applicable, adjusted for transaction costs, and subsequently measured at amortised cost using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

i. Financial Instruments (cont.)

Financial Liabilities (cont.)

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

Derecognition of Financial Liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

j. Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

k. Fair Value Measurements

The Association measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- a. Financial assets (excluding cash & term deposits)
- b. Land & buildings held for resale
- c. Freehold land
- d. Freehold buildings

The Association does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

l. Provisions, Contingent Liabilities & Contingent Assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Association can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**m. Economic Dependency**

The Association is dependent on the ongoing receipt of financial assistance from the Commonwealth government to continue to deliver meals and other services to the South Australian community. A contract is in place for this service and the Board has no reason to believe that the government will discontinue its support of the Association.

3. REVENUE

	2024	2023
Revenue from government	\$	\$
Commonwealth		
Dept of Health - Commonwealth Home Support Program	7,719,346	6,816,860
Dept of Health - Home Care Package provider payments	6,352,674	5,188,747
National Disability Insurance Agency - NDIS payments	552,948	432,707
State		
Dept of Human Services - Statewide Services	270,660	258,262
Local		
Councils	7,943	7,620
	14,903,571	12,704,196

	2024	2023
	\$	\$
Contributions from Customers for Meals	10,227,011	10,195,776
Other Grants & Sundry receipts	-	500
	25,130,582	22,900,472

Commonwealth funding includes funds to deliver an extended range of services to support wellness, independence and social engagement. The Association delivers services as a contractor to organisations that receive Home Care Package or National Disability Insurance Scheme funds and is not directly funded by the Commonwealth for this service.

4. OTHER INCOME

	2024	2023
	\$	\$
Donations & Legacies	144,025	228,068
Interest Received	227,084	53,894
Dividends Received	344,994	301,911
Sundry Income	98,001	129,262
	814,104	713,135

5. INGREDIENTS & CONSUMABLES

	2024	2023
	\$	\$
Ingredients & Consumables	7,958,954	7,813,036
	7,958,954	7,813,036

Ingredients & Consumable costs increased by 1.9% in the 2024 financial year as a result of inflationary costs of fresh ingredients and consumables, despite delivering 1.8% less meals.

6. OTHER OPERATING EXPENSES

	2024	2023
	\$	\$
Cleaning Costs	973,923	905,912
Repairs & Maintenance	955,079	750,983
Electricity & Gas	850,131	663,957
Transport Reimbursement	638,256	634,310
Utensils & Equipment	211,494	221,332
Sundry Operating Costs	337,276	216,263
Insurance	158,974	158,136
Motor Vehicles	126,811	110,358
Rates & Taxes	85,261	77,720
Delivery to Branches	36,060	30,867
Food Safety Certification	34,745	45,722
Bad Debts	33,500	86,150
	4,441,510	3,901,710

Cleaning costs increased to meet Food Safety obligations associated with Cook-Chill Production. Repairs & Maintenance costs included additional post-commissioning costs for the Hilton property plus branch repairs due to the ageing of assets.

7. CENTRAL & BRANCH OFFICE EXPENSES

	2024	2023
	\$	\$
Computer Costs	714,661	721,552
Marketing & Public Relations	446,916	340,975
Consultants	336,902	351,639
Printing & Stationery	231,092	203,458
Projects	220,439	98,088
Telephone	169,822	184,449
Subscriptions	151,953	93,792
Wise Program Direct Expenses	118,506	87,283
Branch Services	116,688	52,427
Non-Meal Related Branch Costs	74,670	71,021
Other Office Expenses	66,856	55,049
Postage & Freight	58,259	52,796
Training Expenses	45,497	55,745
Other Administration Expenditure	44,621	37,364
Travelling Expenses	35,211	11,189
Auditors Remuneration **	30,105	28,379
	2,862,198	2,445,206

** Apart from the annual audit, the auditor does not provide any other services to the Association.

8. CASH & CASH EQUIVALENTS

	2024	2023
	\$	\$
Cash on Hand and at Bank	3,707,695	2,664,695
Deposits at Call	2,035,628	1,949,476
	5,743,323	4,614,171

Reconciliation of Cash and Cash Equivalents for the Statement of Cash Flows:		
Cash on Hand and at Bank	3,707,695	2,664,695
Deposits at Call	2,035,628	1,949,476
	5,743,323	4,614,171

9. FINANCIAL ASSETS

	2024	2023
Non-Current - Fair Value Through Profit or Loss (FVTPL)	\$	\$
Opening Balance	9,385,463	8,730,565
Additions	-	-
Investment Income Reinvested	357,839	301,911
Revaluation Increment/(Decrement)	781,105	352,987
	10,524,407	9,385,463

In 2024 an additional \$357,839 (2023: \$301,911) of cash and reinvested returns was invested into the Investment Portfolio. Cash holdings and invested funds are managed in accordance with the Association's investment strategy.

10. TRADE & OTHER RECEIVABLES

	2024	2023
	\$	\$
Trade Receivables	813,175	820,289
Accrued Income	625,800	572,693
Franking Credits Receivable	99,587	99,896
	1,538,562	1,492,878

11. OTHER ASSETS

	2024	2023
	\$	\$
Prepayments	159,760	136,180
Sundry Assets	139,169	19,407
	298,929	155,587

12. PROPERTY, PLANT & EQUIPMENT

	2024	2023
	\$	\$
Land & Buildings		
Freehold Land & Buildings		
Freehold Land at Valuation	9,759,239	9,759,239
Freehold Buildings at Valuation	12,676,894	12,676,894
Accumulated Depreciation	(1,459,201)	(1,121,599)
	20,976,932	21,314,534
Leasehold Improvements		
At Cost	5,976,119	5,976,119
Accumulated Amortisation	(5,675,598)	(5,615,549)
	300,521	360,570
Plant Fixtures & Fittings		
At Cost	11,643,850	12,059,214
Accumulated Depreciation	(5,774,456)	(5,520,458)
	5,869,394	6,538,756
Motor Vehicles		
At Cost	522,787	566,444
Accumulated Depreciation	(326,260)	(415,409)
	196,527	151,035
Total Property, Plant & Equipment	27,343,374	28,364,895
Reconciliation of movements in the carrying amounts of property, plant & equipment:		
Opening Balance	28,364,895	28,753,939
Additions	299,134	1,100,611
Disposals	(2,925)	(110,688)
Depreciation & Amortisation	(1,317,730)	(1,378,967)
Revaluation Increment	-	-
Closing Balance	27,343,374	28,364,895

12. PROPERTY, PLANT AND EQUIPMENT (cont.)**Revaluation of Land and Buildings**

Freehold Land and Buildings were revalued by the Board on 30 June 2019 on the basis of valuations provided by the Valuer-General on the valuation records from Land Services SA as at 1 January 2019, with the exception of the property at Sir Donald Bradman Drive, Hilton which was valued at the purchase price for the land and the cost of construction for building which was completed on the 17 April 2020.

Based on the Board review at the reporting date, the Board has determined that the valuations provided by the Valuer-General as at 1 January 2019 and the cost price for the development on Sir Donald Bradman Drive, Hilton are appropriate at the reporting date of 30 June 2024 and that there will not be a significant impact from using these valuations.

Movement in the carrying amounts for each class of non-current assets between the beginning and the end of the financial year:

	Freehold Buildings	Freehold Land	Leasehold Improvements
	\$	\$	\$
Carrying Amount at 1 July 2022	11,891,592	9,759,239	484,033
Depreciation & Amortisation	(336,297)	-	(123,463)
Carrying Amount at 30 June 2023	11,555,295	9,759,239	360,570
Carrying Amount at 1 July 2023	11,555,295	9,759,239	360,570
Depreciation & Amortisation	(337,602)	-	(60,049)
Carrying Amount at 30 June 2024	11,217,693	9,759,239	300,521

	Plant Fixtures & Fittings (PFF)	Motor Vehicles
	\$	\$
Carrying Amount at 1 July 2022	6,389,582	229,493
Additions	1,100,611	-
Disposals	(110,688)	-
Depreciation	(840,749)	(78,458)
Carrying Amount at 30 June 2023	6,538,756	151,035
Carrying Amount at 1 July 2023	6,538,756	151,035
Additions	172,254	126,880
Disposals	(2,701)	(225)
Depreciation	(838,915)	(81,163)
Carrying Amount at 30 June 2024	5,869,394	196,527

13. TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Trade Creditors	1,276,281	657,130
Sundry Creditors & Accruals	1,884	1,884
GST Payable	9,445	20,717
Superannuation Payable	103,694	68,931
Audit Fees Payable	19,146	17,504
	1,410,450	766,166

No collateral has been pledged for any of the accounts payable and other payable balances.

14. EMPLOYEE REMUNERATION**14.1. EMPLOYEE BENEFITS EXPENSE**

	2024	2023
Expenses recognised for employee benefits are analysed as follows:	\$	\$
Salaries	7,569,431	6,325,774
Workers Compensation Insurance	254,379	162,884
Superannuation Contributions	859,315	686,035
Employee Benefit Provisions	818,093	635,824
	9,501,218	7,810,517

Increased salaries and associated expenses in 2024 arise from employment of additional Branch Coordinators (or additional hours), Branch Support officers and Customer Service officers, 0.5% Superannuation Guarantee increase and Award increases.

14.2. PROVISIONS

	2024	2023
Provisions include the following liabilities recognised for employee benefits:	\$	\$
Current		
Annual Leave	626,256	518,331
Long Service Leave	702,269	663,498
	1,328,525	1,181,829
Non Current		
Long Service Leave	82,092	52,491
	82,092	52,491

15. OTHER LIABILITIES

	2024	2023
	\$	\$
Unearned Grant Funds	-	58,210
	-	58,210

There were no grant funds received in advance for performance obligations not completed as at 30 June 2024, per note 2 (e), and based on prior contractual experience with the funder there is no reason to believe that we have not met the performance obligations for the period.

16. RESERVES

	2024	2023
Asset Revaluation Reserve	\$	\$
Opening Balance	2,877,484	2,877,484
Closing Balance	2,877,484	2,877,484

The Asset Revaluation Reserve relates to freehold land and buildings.

17. LEASES

The Association is a lessee to a number of peppercorn leases that gives the Association use of sites to operate their kitchens at no or nominal charge. The Association has applied the optional exemption from the requirement to recognise at fair value the right-of-use asset arising from these leases and accordingly the fair value dollar equivalent for these lease arrangements is not reported in the statement of financial position. The Association is not reliant on these arrangements for its continued operations.

The table below describes the nature of the Association's leasing activities:

Lease Terms	No. of leases	Lease Payments
		\$
0 - 10 years	25	311.90
10 -20 years	2	210.00

	2024	2023
	\$	\$
Minimum Future Lease Payments:		
No later than 12 months	140	62
Between 12 months and 5 years	71	175
Later than 5 years	311	353
	522	590

18. RELATED PARTIES & RELATED PARTY TRANSACTIONS

Board Members' Compensation

Board Members are reimbursed for expenses incurred in relation to their duties. No other compensation is paid to Board Members.

Transactions with Board Member-related entities

The Association uses the Investment Adviser services of a company of which one Board member is a minor shareholder and employee. The Board member has insignificant influence over the company. The amounts billed were based on normal market rates and amounted to Adviser and Brokerage fees of \$36,207 (2023: \$32,693). There were no outstanding balances at the reporting date.

The Association also supplies meal services to a home care package provider of which one Board member was a Director and Treasurer until 30/9/2023. The terms and conditions are the same as other providers. The amounts billed to the provider to 30/09/23 were \$128,123 with an outstanding balance at the reporting date of \$35,504. The Association also purchased meals from an external supplier of which one Board member is a member of the Governing Board. The terms and conditions are the same as other external suppliers. The amounts expensed to the supplier were \$198,754 with an outstanding balance owing at the reporting date of \$14,301.

Key Management Personnel

The key management personnel of the Association are its Chief Executive Officer and the 3 FTE (2023: 3 FTE) General Managers.

The total remuneration paid to key management personnel of the Association is \$839,695 (2023: \$814,092). Except for the remuneration paid to key management personnel, there were no other transactions or outstanding balances relating to key management personnel during 2024 or 2023. The Board refers to non-profit industry salary benchmarks in setting the remuneration of the CEO and General Managers.

Transactions with Key Management Personnel related entities

The Association supplies meal services to a home care provider of which one General Manager is a member of the Management Committee. The terms and conditions are the same as other providers. The amounts billed to the provider were \$179,562 with an outstanding balance at the reporting date of \$7,392.

Transactions with Meals on Wheels Australia Ltd

The Association at times recovers salaries and wages for non-executive support from Meals on Wheels Australia Ltd (MOWA). During the reporting period, the CEO (1 July – 31 December 2023) and one Board member (1 January – 30 June 2024) were Directors of MOWA as nominees of MoWSA. The amounts billed for recoveries were \$0, whilst the Association paid MOWA \$16,834 for membership fees and media monitoring services. During the reporting period, the Association donated 7.6 hours per week of communications support to MOWA, with no wages recovered.

19. CONTINGENT LIABILITIES

There are no contingent liabilities known to the Association for the 2024 or 2023 reporting periods.

20. CAPITAL COMMITMENTS

At the reporting date, the Association has committed \$250,000 for kitchen refurbishments with the benefits expected to be received on future dates.

21. POST-REPORTING DATE EVENTS

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

Board Reports

REPORT OF THE BOARD

The Board reports that:

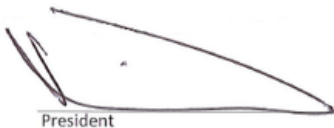
- 1. During the financial year ended 30 June 2024, no officer of the Association, firm of which the officer is a member, or body corporate in which the officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association; and
- 2. During the year ended 30 June 2024, no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value, except for remuneration as an employee of the Association.

DECLARATION BY THE BOARD OF THE ASSOCIATION

In the opinion of the Board:

- 1. the attached financial statements and notes thereto comply with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities;
- 2. the attached financial statements and notes thereto give a true and fair view of the Association's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- 3. the attached financial statements and notes thereto comply with the Australian Charities and Not-for-profits Commission Act 2012, the Australian Charities and Not-for-profits Commission Regulation 2022 and other mandatory professional reporting requirements; and
- 4. 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 made pursuant to Reg 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulations 2022.


President

Kevin Reid


Vice President Finances

Alison Perrott

18 September 2024
Dated





Independent Auditor's Report to the Members of Meals on Wheels (SA) Incorporated

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Meals on Wheels (SA) Incorporated ("the Entity") which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other 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 the declaration by the board of the association.

In our opinion, the accompanying financial report of the Entity 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 Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to those charged with governance, would be in the same terms if given as at the time of this auditor's report.

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

Responsibilities of Management and Trustees for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The members of the board are responsible for overseeing the Entity's financial reporting process.

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HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

169 Fullarton Road, Dulwich SA 5065 | PO Box 377, Kent Town SA 5071

T: +61 (0)8 8133 5000 | F: +61 (0)8 8431 3502 | E: reception@hlbsa.com.au

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HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.



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 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the **management's** use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

We communicate with members of the board 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.

We also provide the members of the board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Adelaide, South Australia
19 September 2024

Corey McGowan
Director



Meals on Wheels extends heartfelt thanks to the organisations and individuals whose generous donations and support have sustained us throughout the year.

A special thank you to our dedicated volunteers for their invaluable contributions in the kitchen, on deliveries, in the office, and through our social support and new initiatives.
Your generosity and hard work are deeply appreciated.

Meals on Wheels (SA) Inc.
ABN 76 069 457 196

80 - 84 Sir Donald Bradman Drive, Hilton SA 5033 | PO Box 406, Unley SA 5061

P 8271 8700 | F 8490 2309 | E info@mealsonwheelssa.org.au | mealsonwheelssa.org.au

September 2024