



**Financial Statements**

**For the Year Ended 30 June 2017**

# **Greystanes Disability Services**

**ABN 48 002 905 802**

## **Contents**

**For the Year Ended 30 June 2017**

<b>Financial Report</b>	<b>Page</b>
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	27
Independent Audit Report	28

# Greystanes Disability Services

ABN 48 002 905 802

## Directors' Report For the Year Ended 30 June 2017

The directors present their report on Greystanes Disability Services for the financial year ended 30 June 2017.

### 1. General information

#### (a) Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Mr P Poulos	President	
Ms P Neall	Vice President	
Mr R Jones	Treasurer	
Ms A Viles	Director	
Ms M Kerrison	Director	
Mr R Tinsey	Director	Resigned 27/07/2017
Mr F Norman	Director	
Ms T Pearce	Director	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### (b) Company secretary

The following person held the position of Company secretary at the end of the financial year:

Mr John Le Breton has been the company secretary since 28 May 2008.

#### (c) Principal activities

The principal activity of Greystanes Disability Services during the financial year was providing accommodation and support to people with intellectual and/or physical disabilities.

The following significant changes in the nature of the principal activities occurred during the financial year:

- The implementation of the Australian Government's National Disability Insurance Scheme, has resulted in a change to the funding and service delivery model.

#### (d) Short term and long term objectives

The Company's short term and long term objectives are to:

- Provide quality services to the people it supports and their families;
- Value and support its staff;
- Ensure financial viability and sound business systems;
- Maintain and expand strategic partnerships;
- Increase its public profile and expand its fundraising efforts; and
- Actively seek future development opportunities.

# **Greystanes Disability Services**

**ABN 48 002 905 802**

## **Directors' Report For the Year Ended 30 June 2017**

### **1. General information**

#### **(e) Strategy for achieving the objectives**

To achieve these objectives, the company has adopted the following strategies:

- Identifying, implementing and refining programs and services it offers the people it supports;
- Increase in public profile;
- Developing a business plan to help guide the company; and
- Maintaining the Greystanes Foundation.

#### **(f) How principal activities assisted in achieving the objectives**

The principal activities assisted the company in achieving its objectives by:

- Enabling it to provide effective and value services to its members and the people it supports;
- Enabling it to expand its fundraising efforts to encompass a broader cross section of the public;
- Expanding the Megalong Positioning Services segment of the business;
- Improving the level of service offered by more qualified and knowledgeable staff; and
- Maintaining a sound financial position.

#### **(g) Performance measures**

The following measures are used within the company to monitor performance:

- Collated questionnaires completed by the families of the people it supports;
- Assessment of the progress made by the people it supports against their personalised plans; and
- Assessment of key financial indicators

### **2. Operating results and review of operations for the year**

#### **(a) Operating results**

The operating deficit of the company amounted to \$43,881 (2016: \$218,299 deficit). The significant reduction to the operating deficit is as a result of improved efficiencies.

The company is exempt from income tax.

The company continued to provide services under its funding agreements with the Ageing, Disability and Home care Department of Human Services New South Wales (ADHC). With the implementation of the National Disability Insurance Scheme, funding arrangements are currently in a transitional period with the expectation that a complete transition to the National Disability Insurance Scheme will be completed in the financial year ending 30 June 2018.

# Greystanes Disability Services

ABN 48 002 905 802

## Directors' Report For the Year Ended 30 June 2017

### 2. Operating results and review of operations for the year

#### (b) Dividends paid or recommended

No dividends were paid or declared since the start of the financial year or in any previous year as the company's constitution prohibits the payment of any form of dividend.

### 3. Other items

#### (a) Significant changes in state of affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

- Implementation of the Australian Governments National Disability Insurance Scheme resulting in a transition from a State based, grant funded model of service delivery to an open market service delivery. This has resulted in a reclassification of revenue from other revenue to sales revenue.

#### (b) Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

#### (c) Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

#### (d) Future developments

Likely developments, future prospects and business strategies of the operations of the company and the expected results of those operations have not been disclosed in the report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the company.

### 4. Auditors independence declaration

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

# Greystanes Disability Services

ABN 48 002 905 802

## Directors' Report For the Year Ended 30 June 2017

### 5. Meetings of directors

During the financial year, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

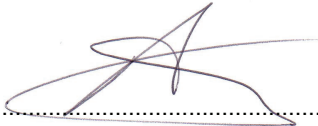
	Directors' Meetings		Finance Committee Meetings		MPS Committee Meetings		Total Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr P Poulos	6	6	5	5	3	3	14	14
Ms P Neall	6	4	-	-	-	-	6	4
Mr R Jones	6	5	5	4	3	2	14	11
Ms A Viles	6	6	-	-	-	-	6	6
Ms M Kerrison	6	6	-	-	-	-	6	6
Mr R Tinsey	6	6	-	-	-	-	6	6
Mr F Norman	6	5	5	5	3	3	14	13
Ms T Pearce	6	4	-	-	-	-	6	4


### 6. Indemnification and insurance of officers and auditors

The company has paid premiums to insure all directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$4,730. The company has not provided any insurance for the auditor of the company.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

Signed in accordance with a resolution of the Board of Directors:

Director: .....  
  
Mr P Poulos

Director: .....  
  
Mr R Jones

Dated: 27 September 2017

**Directors' Report  
For the Year Ended 30 June 2017**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Trumans

Chartered Accountants



Peter Bray  
Partner

26 September 2017

Suite 302, 12 Help Street, Chatswood, NSW, 2067

# Greystanes Disability Services

ABN 48 002 905 802

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Sales revenue	4	7,594,481	1,558,897
Other revenue	4	3,808,792	8,366,489
Administrative expenses		(1,348,044)	(1,570,161)
Leura day options		(1,459,478)	(1,180,910)
Accommodation services		(7,431,186)	(6,269,330)
Mandatory insurances	20	(173,796)	(204,473)
MPS		(1,034,650)	(918,811)
<b>Operating surplus/(deficit) before income tax</b>		<b>(43,881)</b>	<b>(218,299)</b>
Income tax expense	2(c)	-	-
Fair value increment/(decrement) on investment properties		260,621	175,636
<b>Surplus/(deficit) for the year</b>		<b>216,740</b>	<b>(42,663)</b>
<b>Other comprehensive surplus/(deficit)</b>			
Net gain on revaluation of land and buildings		501,078	105,101
Net fair value movements for available-for-sale financial assets		484	(48)
<b>Other comprehensive income for the year, net of tax</b>		<b>501,562</b>	<b>105,053</b>
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>718,302</b>	<b>62,390</b>

The accompanying notes form part of these financial statements.



# Greystanes Disability Services

ABN 48 002 905 802

## Statement of Financial Position

As At 30 June 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	3,556,588	3,316,894
Trade and other receivables	7	96,067	119,843
Inventories	8	428,282	268,197
Other assets	12	10,337	5,185
TOTAL CURRENT ASSETS		<u>4,091,274</u>	<u>3,710,119</u>
NON-CURRENT ASSETS			
Financial assets	9	2,468	1,984
Property, plant and equipment	10	3,643,319	3,318,736
Investment property	11	1,450,000	1,190,000
TOTAL NON-CURRENT ASSETS		<u>5,095,787</u>	<u>4,510,720</u>
TOTAL ASSETS		<u>9,187,061</u>	<u>8,220,839</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	13	3,359,369	3,081,998
Borrowings	14	30,970	54,674
TOTAL CURRENT LIABILITIES		<u>3,390,339</u>	<u>3,136,672</u>
NON-CURRENT LIABILITIES			
Borrowings	14	162,048	174,285
Long-term provisions	15	235,543	229,053
TOTAL NON-CURRENT LIABILITIES		<u>397,591</u>	<u>403,338</u>
TOTAL LIABILITIES		<u>3,787,930</u>	<u>3,540,010</u>
NET ASSETS		<u>5,399,131</u>	<u>4,680,829</u>
<b>EQUITY</b>			
Reserves		2,686,856	2,185,294
Accumulated surplus		2,712,275	2,495,535
TOTAL EQUITY		<u>5,399,131</u>	<u>4,680,829</u>

The accompanying notes form part of these financial statements.

## Greystanes Disability Services ABN 48 002 905 802

### Statement of Changes in Equity For the Year Ended 30 June 2017

2017

Note	Accumulated surplus \$	Asset Revaluation Surplus \$	Financial Asset Reserve \$	Capital Profits Reserve \$	Total \$
<b>Balance at 1 July 2016</b>	2,495,535	737,531	745	1,447,018	4,680,829
Operating surplus/(deficit)	(43,881)	-	-	-	(43,881)
Fair value increment/(decrement) on investment properties	260,621	-	-	-	260,621
Revaluation increment (decrement)	-	501,078	484	-	501,562
<b>Balance at 30 June 2017</b>	<b>2,712,275</b>	<b>1,238,609</b>	<b>1,229</b>	<b>1,447,018</b>	<b>5,399,131</b>

2016

Note	Accumulated surplus \$	Asset Revaluation Surplus \$	Financial Asset Reserve \$	Capital Profits Reserve \$	Total \$
<b>Balance at 1 July 2015</b>	2,538,198	632,430	793	1,447,018	4,618,439
Operating surplus/(deficit)	(218,299)	-	-	-	(218,299)
Fair value increment/(decrement) on investment properties	175,636	-	-	-	175,636
Revaluation increment (decrement)	-	105,101	(48)	-	105,053
<b>Balance at 30 June 2016</b>	<b>2,495,535</b>	<b>737,531</b>	<b>745</b>	<b>1,447,018</b>	<b>4,680,829</b>

The accompanying notes form part of these financial statements.

# Greystanes Disability Services

ABN 48 002 905 802

## Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from grants and clients	11,742,005	9,962,812
Payments to suppliers and employees	(11,476,580)	(10,173,050)
Dividends received	95	142
Interest received	59,159	89,047
Net cash provided by/(used in) operating activities	18 <u>324,679</u>	<u>(121,049)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	1,908	-
Purchase of property, plant and equipment	(33,092)	(288,839)
Net cash used by investing activities	<u>(31,184)</u>	<u>(288,839)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	21,522	217,436
Repayment of borrowings	(57,463)	(42,963)
Interest paid	(17,860)	(12,832)
Net cash used by financing activities	<u>(53,801)</u>	<u>161,641</u>
Net increase/(decrease) in cash and cash equivalents held	239,694	(248,247)
Cash and cash equivalents at beginning of year	3,316,894	3,565,141
Cash and cash equivalents at end of financial year	6 <u>3,556,588</u>	<u>3,316,894</u>

The accompanying notes form part of these financial statements.

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

The financial report covers Greystanes Disability Services as an individual entity. Greystanes Disability Services is a not-for-profit Company limited by guarantee, registered and domiciled in Australia.

The functional and presentation currency of Greystanes Disability Services is Australian dollars.

The financial report was authorised for issue by the Directors on 27 September 2017.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

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

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

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

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

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

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

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

Greystanes Disability Services receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Interest is recognised using the effective interest method.

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

Dividends are recognised when the entity's right to receive payment is established.

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

Other income is recognised on an accruals basis when the company is entitled to it.

Donations and bequests are recognised as revenue when received.

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

#### (b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

Cash flows in the statement of cash flows are included 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.

#### (c) Income Tax

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

#### (d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the standard costs basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

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

Work in progress is value at cost, plus profit recognised to date less any provision for estimated costs. Cost includes both fixed and variable costs relating to specific jobs and those costs that are attributable to the manufacturing process in general that can be allocated on a reasonable basis.

#### (f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

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

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

#### Land and buildings

Land and buildings are measured using the revaluation model.

#### Plant and equipment

Plant and equipment are measured using the cost model.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful life of the asset.

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (f) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Freehold Land	0.00%
Buildings	0.00% - 2.50%
Plant and Equipment	5.00% - 25.00%
Plant and Equipment in Group Homes	2.50% - 25.00%

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

#### (g) Investment property

Investment property is held to generate long-term rental yields and capital growth. Investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recognised in the statement of profit and loss and other comprehensive income as other income/expenses.

#### (h) Impairment of non-financial assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless of indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss .

#### (i) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### (j) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled .

Employee benefits expected to be settled more than one year after the end of the reporting period have been

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (j) Employee benefits

measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, regardless of the classification of the liability for measurement purposes under AASB 119.

#### (k) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### (l) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.



# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (I) Financial instruments

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *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 arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (I) Financial instruments

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Company's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

##### *Impairment of financial assets*

At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (l) Financial instruments

##### *Available-for-sale financial assets*

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

#### (m) Economic dependence

Greystanes Disability Services was dependent on the NSW Government for the majority of its revenue used to operate the business. At the date of this report the funding of the disability sector is transitioning to the Australian Government under the National Disability Insurance Scheme. The new funding model is based on an open market format as opposed to grant funding and at the date of this report the directors have no reason to believe the funding bodies and/or the companies clients will not continue to support Greystanes Disability Services.

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key estimates - impairment of property, plant and equipment**

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### **Key estimates - fair value of financial instruments**

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

#### **Key estimates - property held at fair value**

An independent valuation of property (land and buildings) carried at fair value was obtained on 30 June 2017. The Directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

#### **Key estimates - fair value of investment properties**

The fair value of investment properties was determined using a discounted cash flow model which used a number of unobservable inputs. Information about the inputs and assumptions used are included in the fair value and investment property notes.

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 4 Revenue and Other Income

#### Revenue from continuing operations

	Note	2017 \$	2016 \$
<b>Sales revenue</b>			
- MPS sales		661,185	562,366
- Client fees		1,238,390	991,966
- Training packages and DVD sales		2,697	4,565
- NDIS fees		5,692,209	-
<b>Total sales revenue</b>		<b>7,594,481</b>	<b>1,558,897</b>
<b>Other revenue</b>			
- Interest revenue		59,012	89,047
- Dividend income		95	142
- Gross proceeds from fundraising		24,250	9,940
- Government grants		3,663,317	8,216,999
- Rental revenue		58,748	57,765
- Membership fees		180	230
- Misc. revenue		2,295	4,669
- Gain on disposal of assets		1,318	-
- Loss on disposal of assets		(423)	(12,303)
<b>Total other revenue</b>		<b>3,808,792</b>	<b>8,366,489</b>
<b>Total Revenue</b>		<b>11,403,273</b>	<b>9,925,386</b>

### 5 Result for the Year

The result for the year includes the following specific expenses:

Audit remuneration			
Auditing or reviewing the financial		44,912	40,150
Bad debts		325	1,175
Cost of sales		287,889	213,829
Depreciation and amortisation			
Depreciation - buildings		57,078	57,202
Depreciation - plant and equipment		147,597	142,546
Depreciation - plant and equipment in group homes		3,897	3,945
Depreciation - investment property		621	636
Total depreciation and amortisation		<b>209,193</b>	<b>204,329</b>
Direct property expenditure from investment property generating rental income		20,088	16,120
Employee benefits expense		8,897,392	8,312,471

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 6 Cash and Cash Equivalents

	2017	2016
Note	\$	\$
Cash at bank and in hand	1,650,346	1,446,899
Short-term deposits	1,906,242	1,869,995
<b>Total cash and cash equivalents</b>	<b>3,556,588</b>	<b>3,316,894</b>

### 7 Trade and Other Receivables

CURRENT		
Trade receivables	66,808	105,141
Other receivables	29,259	14,702
<b>Total current trade and other receivables</b>	<b>96,067</b>	<b>119,843</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 8 Inventories

CURRENT		
At cost:		
Work in progress	84,859	84,670
Stock on hand	343,423	183,527
<b>Total inventories</b>	<b>428,282</b>	<b>268,197</b>

Write downs of inventories to net realisable value during the year were \$ NIL (2016: \$ NIL).

### 9 Other Financial Assets

#### Available-for-sale financial assets

NON-CURRENT		
Shares in listed entities - fair value	2,468	1,984
<b>Total non-current available-for-sale financial assets</b>	<b>2,468</b>	<b>1,984</b>

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 10 Property, plant and equipment

	Note	2017 \$	2016 \$
<b>LAND AND BUILDINGS</b>			
<b>Freehold land</b>			
At fair value		2,200,000	1,845,000
Total freehold land		<u>2,200,000</u>	<u>1,845,000</u>
<b>Total Land</b>		<u>2,200,000</u>	<u>1,845,000</u>
<b>Buildings</b>			
At fair value		605,000	516,000
<b>Total buildings</b>		<u>605,000</u>	<u>516,000</u>
<b>Total land and buildings</b>		<u>2,805,000</u>	<u>2,361,000</u>
<b>PLANT AND EQUIPMENT</b>			
<b>Plant and equipment</b>			
At cost		2,310,211	2,330,894
Accumulated depreciation		(1,567,426)	(1,472,588)
<b>Total plant and equipment</b>		<u>742,785</u>	<u>858,306</u>
<b>Plant and equipment in group homes</b>			
At cost		\$ 157,711	\$ 157,711
Accumulated depreciation		\$ (62,177)	\$ (58,281)
<b>Total plant and equipment in group homes</b>		<u>95,534</u>	<u>99,430</u>
<b>Total plant and equipment</b>		<u>838,319</u>	<u>957,736</u>
<b>Total property, plant and equipment</b>		<u>3,643,319</u>	<u>3,318,736</u>

The company's land and buildings were revalued as at 30 June 2017 by independent valuers. Valuations were made using the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. The revaluation surplus was credited to an asset revaluation reserve in equity.

Buildings at independent valuation represent two separate buildings, Grose Street Leura, and Livingstone Street Lawson. The building at Lawson was valued at \$450,000. The building at Leura was valued at \$155,000, which represents 20% of the total building valuation of \$775,000. The building is carried at 20% as a result of the construction of it being funded by a capital grant from the NSW Government, which stipulated that the NSW Government would retain an ownership percentage in the building of 80%.

## Greystanes Disability Services

ABN 48 002 905 802

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 10 Property, plant and equipment

##### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	At fair value	Buildings	Plant and Equipment	Plant and Equipment in Group Homes	Total
Note	\$	\$	\$	\$	\$
<b>Year ended 30 June 2017</b>					
Balance at the beginning of year	1,845,000	516,000	858,306	99,430	3,318,736
Additions	-	-	33,091	-	33,091
Disposals	-	-	(1,014)	-	(1,014)
Depreciation expense	-	(57,078)	(147,598)	(3,896)	(208,572)
Revaluation increase	355,000	146,078	-	-	501,078
<b>Balance at the end of the year</b>	<b>2,200,000</b>	<b>605,000</b>	<b>742,785</b>	<b>95,534</b>	<b>3,643,319</b>



# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 11 Investment Properties

	2017	2016
Note	\$	\$
Balance at beginning of year	1,190,000	1,015,000
Fair value adjustments	260,621	175,636
Depreciation - investment property	(621)	(636)
<b>Balance at end of year</b>	<b>1,450,000</b>	<b>1,190,000</b>

### 12 Other Assets

CURRENT		
Accrued income	10,337	5,185
<b>Total other assets</b>	<b>10,337</b>	<b>5,185</b>

### 13 Trade and Other Payables

Current		
Trade payables	294,933	108,325
Income received in advance	684,304	1,357,735
GST liability	(69,880)	171,645
Employee benefits	1,153,389	995,294
Other payables	1,296,623	448,999
	<b>3,359,369</b>	<b>3,081,998</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

### 14 Borrowings

CURRENT		
Finance lease obligation - secured	30,970	54,674
<b>Total current borrowings</b>	<b>30,970</b>	<b>54,674</b>

NON-CURRENT		
Finance lease obligation - secured	162,048	174,285
<b>Total non-current borrowings</b>	<b>162,048</b>	<b>174,285</b>
<b>Total borrowings</b>	<b>193,018</b>	<b>228,959</b>

Leased liabilities are secured by the underlying leased assets.

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 15 Provisions

	2017	2016
	\$	\$
NON-CURRENT		
Employee entitlements	235,543	229,053
<b>Total non-current provisions</b>	<b>235,543</b>	<b>229,053</b>

### 16 Key Management Personnel Disclosures

The names and positions of those having authority for planning, directing and controlling the company's activities, directly or indirectly (other than directors) during the year are as follows:

John Le Breton	Chief Executive Officer
Mark Heinz	Corporate Services Manager
Vicki Godkin	Community Living Manager
Susan Hatswell	Leura Day Options Manager
Wim Hartog	Megalong Positioning Services Manager
Tory McPhee	Home Support Services Manager

For details of other transactions with key management personnel, refer to note 17 : Related Party Transactions.

### 17 Related Party Transactions

#### (a) The Company's main related parties are as follows:

Key management personnel - refer to Note 16.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

#### (b) Transactions with related parties

Property management fees paid to Theo Poulos Real Estate Pty Ltd, a company controlled by Mr Peter Poulos, a Director

	2,810	3,314
<b>Total transactions with related parties</b>	<b>2,810</b>	<b>3,314</b>

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 18 Cash Flow Information

#### (a) Reconciliation of cash

	Note	2017 \$	2016 \$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		<u>3,556,588</u>	3,316,894
<b>Total cash and cash equivalents</b>	6	<u><b>3,556,588</b></u>	<u>3,316,894</u>

#### (b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

<b>Total surplus/(deficit) for the year</b>		<b>216,740</b>	(42,663)
<b>Cash flows excluded from profit attributable to operating activities</b>			
- interest on borrowings		17,860	12,832
<b>Non-cash flows in profit:</b>			
- depreciation		209,193	204,329
- net gain on disposal of property, plant and equipment		(894)	46,574
- Fair value increment on investment properties		(260,621)	(175,636)
<b>Changes in assets and liabilities:</b>			
- (increase)/decrease in trade and other receivables		18,624	65,738
- (increase)/decrease in inventories		(160,085)	(76,036)
- increase/(decrease) in income in advance		260,431	(117,501)
- increase/(decrease) in trade and other payables		16,941	(101,481)
- increase/(decrease) in provisions		6,490	62,795
<b>Cashflows from operations</b>		<u><b>324,679</b></u>	<u>(121,049)</u>

# Greystanes Disability Services

ABN 48 002 905 802

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 19 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 100 each towards meeting any outstandings and obligations of the Company. At 30 June 2017 the number of members was 22 (2016: 23).

### 20 Insurance expense

	2017	2016
Note	\$	\$
<b>Workers compensation expense</b>		
- Current	143,300	173,792
<b>Other insurance expense</b>		
- Liability/professional liability	25,766	25,951
- Directors/management liability	4,730	4,730
<b>Total other insurance expense</b>	<u>30,496</u>	<u>30,681</u>
<b>Total insurance expense</b>	<u>173,796</u>	<u>204,473</u>

### 21 Fundraising revenue

<b>Revenue</b>		
Donations	23,950	9,640
Events	300	300
<b>Total revenue</b>	<u>24,250</u>	<u>9,940</u>
<b>Less:</b>		
Total cost of Fundraising	<u>(58,188)</u>	<u>(55,740)</u>
<b>Net fundraising revenue/(expense)</b>	<u>(33,938)</u>	<u>(45,800)</u>

### 22 Statutory Information

The registered office of and principal place of business of the company is:  
Greystanes Disability Services  
2 Grose Street  
LEURA NSW 2780

# Greystanes Disability Services

ABN 48 002 905 802

## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 26, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements;
  - b. satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012; and
  - c. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....



Mr P Poulos

Director .....



Mr R Jones

Dated 27 September 2017

# Independent Audit Report to the members of Greystanes Disability Services

## Report on the Audit of the Financial Report

### Opinion

We have audited the accompanying financial report, of Greystanes Disability Services (the Company), which comprises the statement of financial position as at 30 June 2017, 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 directors declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with 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 Company in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* 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 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Company to meet the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the the Company'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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### 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 the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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 the directors 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 directors 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.



**Trumans**  
**Chartered Accountant**



**Peter Bray**  
**Partner**

Suite 302, 12 Help Street, Chatswood, NSW, 2067  
28 September 2017